



KOHINOOR
ENERGY LIMITED

ANNUAL **REPORT** 2025



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CORPORATE INFORMATION

Board of Directors

Mr. M. Naseem Saigol
Chairman / Non-Executive
Mr. Muhammad Zeid Yousuf Saigol
Chief Executive Officer
Mr. Muhammad Murad Saigol
Executive
Syed Manzar Hassan
Non-Executive
Mr. Muhammad Omer Farooq
Independent
Ms. Sadaf Kashif
Independent
Mr. Faisal Riaz
Independent

Company Secretary

Khawaja Safee Sultan

Audit Committee

Mr. Muhammad Omer Farooq
Chairman
Syed Manzar Hassan
Ms. Sadaf Kashif

HR & Remuneration Committee

Mr. Faisal Riaz
Chairman
Mr. Muhammad Zeid Yousuf Saigol
Syed Manzar Hassan

Management

Mr. Muhammad Zeid Yousuf Saigol
Chief Executive Officer
Mr. Muhammad Ashraf
Chief Operating Officer/Chief Financial Officer

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor

LMA | Ebrahim Hosain

Shariah Advisor

Mufti Abbad Usmani

Bankers

Bank Alfalah Limited
Askari Bank Limited
AL Baraka Bank (Pakistan) Limited
Habib Bank Limited
MCB Bank Limited
Faysal Bank Limited
National Bank of Pakistan
Dubai Islamic Bank Pakistan Limited

Registered Office

301, 3RD Floor, Green Trust Tower,
Blue Area Islamabad, Pakistan.
Tel : +92-51-2813021-2
Fax : +92-51-2813023

Project/Head Office

Post Office Raja Jang, Near Tablighi Ijtima,
Raiwind Bypass, Lahore, Pakistan.
Tel : +92-42-35392317
Fax : +92-42-35393415-7

Shares Registrar

M/S. Corplink (Pvt.) Ltd.
Wings Arcade, 1-K, Commercial, Model Town,
Lahore, Pakistan.
Tel : +92-42-35839182, 35887262, 35916719
Fax : +92-42-35869037

Lahore Office

PEL Factory, 14-KM Ferozepur Road,
Lahore, Postcode 54760, Pakistan.
Tel : +92-42-35920117-8

Company Registration No.

0032461 of 1993-94

Company NTN

0656788-6

Website

www.kel.com.pk

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of shareholders of Kohinoor Energy Limited will be held on October 27, 2025 (Monday) at 11:00 am at Islamabad Club, Main Murree Road, Islamabad to transact the following business:

1. To confirm minutes of the Annual General Meeting held on October 24, 2024.
2. To receive and adopt the Annual Audited Accounts of the Company for the financial year ended June 30, 2025 alongwith Directors' and Auditors' Reports thereon.
3. To approve an interim dividend already paid @70% i.e. Rs. 7.00 per share for the financial year 2024-25.
4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.
5. Any other business with the permission of the Chair.

By the order of the Board

Lahore:
September 18, 2025

(Khawaja Safee Sultan)
Company Secretary

Notes:

1. The share transfer books of the Company will remain closed from October 21, 2025 to October 27, 2025 (both days inclusive). Transfers received at our Share Registrar Office M/S CORPLINK (PVT) LIMITED situated at Wings Arcade, 1-K, Commercial, Model Town, Lahore upto the close of business hours on October 20, 2025 will be treated in time for determination of entitlement to attend and vote at the meeting.
2. A member eligible to attend and vote at this meeting may appoint his / her proxy to attend and vote instead of him/her. Proxies in order to be effective must reach the Company's Head office situated at Near Tablighi Ijtima, Raiwind Bypass, Lahore, not less than 48 hours before the time for holding the. A member shall not be entitled to appoint more than one proxy. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC. In case of corporate entity, the Board's Resolution/power of attorney with specimen signature shall be furnished along with proxy form to the Company. The members through CDC are requested to bring original CNIC, A/C No. and Participant ID to produce at the time of attending the meeting. Shareholders are requested to immediately notify their change in address, if any to share registrar.
3. As per Section 72 of the Companies Act, 2017, the shareholders having physical shares are requested to convert the shares into book-entry (CDC).
4. The Company's Annual Report 2025 can be accessed and downloaded from KEL's website using the following link or scanning the QR Code.

<https://kel.com.pk/ANNUAL%20REPORT%202025.pdf>



NOTICE OF ANNUAL GENERAL MEETING

5. Participation in the AGM through Video link Facility

The SECP through its Circular No. 4 dated 15 February 2021 and Circular No. 6 dated 03 March 2021 has directed listed companies to arrange participation of shareholders in Annual General Meeting through Video Link Facility in addition to allowing physical attendance by the members. The members who are willing to attend and participate in the AGM can do so through video-link via smartphones, computers, tablets, etc. To attend the AGM through video-link, members are requested to get their following particulars registered by sending an email or WhatsApp at the number/address given below, at least 48 hours before the time of the AGM, and download at <https://kel.com.pk/page-investor-information>.

Name	Folio/CDS Account No.	CNIC No	Cell phone	Email

Signature of Member	
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WhatsApp	0341-0780786	Email	j.manzoor@kel.com.pk
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Upon receipt of requests, the video-link login credentials will be shared with the interested shareholders on their email addresses or WhatsApp messages. The members can send their comments/suggestions related to the agenda items of the meeting through the above-mentioned means.

6. Prohibition of Distribution of Gifts

No gifts will be distributed at the Annual General Meeting as prohibited under Section 185 of the Companies Act, 2017.

اطلاع برائے سالانہ اجلاس عام

- تمام متعلقہ افراد کو مطلع کیا جاتا ہے کہ کوہ نور انرجی لمیٹڈ کے شیئر ہولڈرز کا بتیسواں سالانہ اجلاس عام 27 اکتوبر 2025 (بروز پیر) صبح گیارہ بجے (11:00) اسلام آباد کلب، مین مری روڈ، اسلام آباد میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا:
- 1۔ سالانہ اجلاس عام منعقدہ 24 اکتوبر 2024 کی کاروائی کی توثیق
 - 2۔ کمپنی کے سالانہ آڈٹ شدہ حسابات برائے 30 جون 2025 کو ختم ہونے والے مالی سال اور ڈائریکٹرز و آڈیٹرز کی رپورٹس کی وصولی اور قبولیت
 - 3۔ ایک عبوری ڈیویڈنڈ بحساب 70% (یعنی 7.00 روپے فی شیئر) جو کہ 30 جون 2025 کو ختم ہونے والے سال میں پہلے ادا کیا جا چکا ہے، کی منظوری دینا
 - 4۔ آئندہ سالانہ اجلاس عام تک کمپنی کے آڈیٹرز کی تقرری اور مشاہرے کا تعین
 - 5۔ چیئرمین کی اجازت سے دیگر امور کی انجام دہی

لاہور:

تاریخ: ستمبر 18، 2025ء

بحکم بورڈ

خواجہ صفی سلطان (کمپنی سیکرٹری)

نوٹ:

1۔ کمپنی کی شیئرز ٹرانسفر بکس 21 اکتوبر 2025 تا 27 اکتوبر 2025 (بشمول دونوں ایام) بند رہیں گی۔ ہمارے شیئرز رجسٹرار آفس M/SCorplink (Pvt) Ltd وگنڈ آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور 20 اکتوبر 2025 کو دفتری اوقات تک موصول ہونے والی ٹرانسفرز مینٹگ میں حاضری کی اہلیت کے لئے بروقت اور اہل تصور ہو گئی۔

2۔ اس مینٹگ میں شرکت کرنے اور ووٹ دینے کا اہل ممبر اپنا پراکسی مقرر کر سکتا ہے۔ سٹپ، دستخط اور تصدیق شدہ پراکسیز کمپنی کے ہیڈ آفس کوہ نور انرجی لمیٹڈ واقع نزد تبلیغی اجتماع، رانیو ٹڈ بائی پاس، لاہور پر مینٹگ کے وقت سے اڑتالیس گھنٹے قبل تک موصول ہونا لازم ہیں، ورنہ قابل قبول نہ ہوں گی۔ سینٹرل ڈپازٹری اکاؤنٹ ہولڈرز کیلئے قومی شناختی کارڈ یا فائدہ حاصل کرنے والے مالک کے پاسپورٹ کی تصدیق شدہ کاپی بمعہ پراکسی فارم فراہم کرنا ضروری ہے۔ کارپوریٹ شخصیت کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ اور دستخط کا نمونہ (بجرا اسکے کہ پہلے فراہم نہ کی گئی ہو) بمعہ کمپنی کے پراکسی فارم جمع کرائے جائیں گے۔ پراکسی مینٹگ کے وقت اپنا اصل شناختی کارڈ یا اصل پاسپورٹ بمعہ اکاؤنٹ نمبر برائے شناخت فراہم کرے گا۔

3۔ کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت تمام لسٹڈ کمپنیز کو اپنے تمام فزیکل شیئرز کو مجوزہ بک انٹری (CDC) میں تبدیل کرنے کی ضرورت ہے لہذا تمام فزیکل شیئرز رکھنے والے شیئرز ہولڈرز سے درخواست ہے کہ وہ جلد از جلد اپنے شیئرز کو بک انٹری (CDC) میں تبدیل کروالیں۔

4۔ کمپنی کی سالانہ رپورٹ 2025 کمپنی کی ویب سائٹ سے دیئے گئے لنک QR کوڈ کے ذریعے ڈاؤن لوڈ کی جاسکتی ہے

<https://kel.com.pk/ANNUAL%20REPORT%202025.pdf>



اطلاع برائے سالانہ اجلاس عام

5۔ ایس ای سی پی نے اپنے سرکلر نمبر 4 مورخہ 15 فروری 2021 اور سرکلر نمبر 6 مورخہ 3 مارچ 2021 کے ذریعے کمپنیز کو ہدایت کی ہے کہ وہ ممبران کی جسمانی حاضری کی اجازت دینے کے علاوہ ویڈیو لنک کی سہولت کے ذریعے سالانہ جنرل میٹنگ میں شیئرز ہولڈرز کی شرکت کا اہتمام کریں۔ جو ممبران AGM میں شرکت کے خواہشمند ہیں وہ ویڈیو لنک کے ذریعے سمارٹ فونز، کمپیوٹرز، ٹیبلیٹ وغیرہ کے ذریعے ایسا کر سکتے ہیں ویڈیو لنک کے ذریعے AGM میں شرکت کیلئے ممبران سے درخواست کی جاتی ہے کہ وہ ای میل بھیج کر اپنی درج ذیل تفصیلات رجسٹر کروائیں یا AGM کے وقت سے کم از کم 48 گھنٹے پہلے نیچے دیئے گئے نمبر اپتے پروٹس ایپ کریں اور <https://kel.com.pk/page-investor-information> سے ویڈیو لنک ڈاؤن لوڈ کریں۔

Name	Folio/CDS Account No.	CNIC No	Cell phone	Email

Signature of Member	
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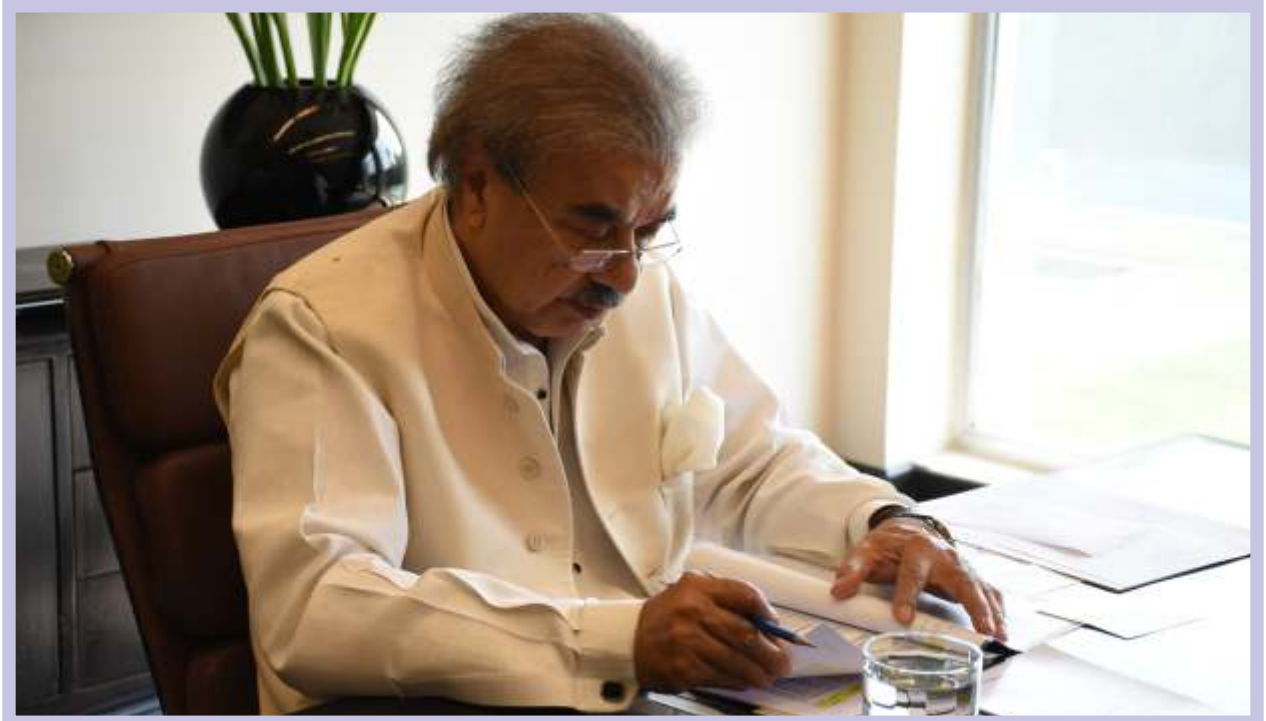
WhatsApp	0341-0780786	Email	j.manzoor@kel.com.pk
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ویڈیو لنک کی وصولی پر ویڈیو لنک کی Login معلومات دلچسپی رکھنے والے شیئرز ہولڈرز کے ساتھ انکی ای میل یا وٹس ایپ پر شیئرز کی جائیں گی۔ ممبران میٹنگ ایجنڈے کے متعلق اپنے تبصرے اور مشورے مذکورہ ذرائع سے بھیج سکتے ہیں

6۔ تحائف کی تقسیم پر ممانعت

سالانہ اجلاس عام میں کوئی تحائف تقسیم نہیں کئے جائیں گے جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 185 میں ممانعت کی گئی ہے

CHAIRMAN'S REVIEW



On behalf of the Board of Directors, it gives me great pleasure to present the Thirty-Second Annual Report of Kohinoor Energy Limited, which provides an overview of the Company's operations, operating environment, and the Audited Financial Statements for the year ended June 30, 2025.

During the year, the Company entered into negotiations with the National Task Force on Implementation of Structural Reforms (Power Sector) regarding amendments to the Power Purchase Agreement (PPA). As a result, an Amendment Agreement was signed with CPPA-G on February 19, 2025. Under this agreement, and in lieu of the settlement of previously disputed liquidated damages (LDs), the PPA has been extended by 161 days — from June 20, 2027 to November 27, 2027 — under the Other Force Majeure Event (OFME) clause of the PPA.

Despite a challenging business environment, the Company successfully maintained safe, reliable, and efficient operations, thanks to the dedication of nearly 100 professionals, engineers, and skilled employees. Even after 28 years of operations, our power complex continues to deliver strong operational and financial performance.

For the financial year 2024–2025, the Company recorded a net profit after tax of Rs. 724 million, with earnings per share (EPS) of Rs. 4.27, compared to Rs. 1,600 million and an EPS of Rs. 9.44 in the previous year. Based on the Board's recommendations, an interim dividend of 70% was declared in September 2024 and paid in October 2024.

I remain confident that, under the guidance of a strong and experienced Board of Directors, and with the continued commitment of our capable management team and dedicated employees, the Company will continue to deliver sustainable value and consistent returns for its shareholders.

I sincerely thank our shareholders and stakeholders for their continued trust and support.

Lahore:
September 18, 2025


M. Naseem Saigol
Chairman

چیرمین جائزہ

بورڈ آف ڈائریکٹر کی جانب سے مجھے یہ مسرت ہے کہ میں آپ کے سامنے کوہ نور انرجی لمیٹڈ کی بتیسویں سالانہ رپورٹ پیش کر رہا ہوں، جس میں کمپنی کے آپریشنز، کاروباری ماحول اور مالی سال 30 جون 2025 کو ختم ہونے والے آڈٹ شدہ مالی حسابات کا تفصیلی جائزہ شامل ہے۔

مالی سال کے دوران کمپنی نے نیشنل ٹاسک فورس برائے عمل درآمد پر اصلاحات (پاور سیکٹر) کے ساتھ پاور پراجیز ایگریمنٹ (پی پی اے) میں ترامیم کے سلسلے میں مذاکرات کئے۔ ان مذاکرات کے نتیجے میں 19 فروری 2025 کو پی پی اے۔ جی کے ساتھ ایک ترمیمی معاہدے پر دستخط ہوئے۔ اس معاہدے کے تحت ماضی میں متنازعہ مائع نقصانات () کے تصفیے کے بدلے، پی پی اے کو دن کے لئے بڑھا دیا گیا۔ یہ توسیع 20 جون 2027 دے بڑھا کر 27 نومبر 2027 تک کی گئی ہے جو کہ پی پی اے کی Other Force Majeure Event (OFME) شق کے تحت ہے۔

مشکل کاروباری حالات کے باوجود کمپنی نے محفوظ، قابل اعتماد اور موثر آپریشنز برقرار رکھے۔ جس کا سہرا ہمارے 100 ماہر پیشہ ور، قابل انجینئرز اور ہنرمند ملازمین کی انتھک محنت کو جاتا ہے۔ آج بھی 28 آپریشنل سال گزر جانے کے باوجود ہمارا پاور کمپلیکس بہترین اور انتہائی موثر کارکردگی کا مظاہرہ کر رہا ہے۔

رواں مالی سال 2024-25 کے دوران کمپنی نے بعد از ٹیکس 724 ملین روپے کا منافع کمایا ہے اور فی شیئر آمدنی 4.27 روپے رہی جبکہ اسکے مقابلے میں پچھلے سال کمپنی کا بعد از ٹیکس منافع 1,600 ملین روپے تھا جبکہ فی شیئر آمدنی 9.44 روپے تھی۔ بورڈ آف ڈائریکٹر کی سفارش پر ستمبر 2024 میں 70% منافع عبوری ڈیویڈنڈ کا اعلان کیا گیا جو اکتوبر 2024 میں ادا کر دیا گیا۔

مجھے یقین ہے کہ ایک مضبوط اور تجربہ کار بورڈ آف ڈائریکٹر کی رہنمائی ہماری مینجمنٹ ٹیم کے عزم اور ملازمین کی محنت کے ساتھ کمپنی اپنے حصص یافتگان کے لئے مسلسل پائیدار قدر اور منافع فراہم کرتی رہے گی۔

آخر میں، میں اپنے تمام حصص یافتگان اور اسٹیک ہولڈرز کا انکے اعتماد اور تعاون پر تہ دل سے شکریہ ادا کرتا ہوں



ایم نسیم سہگل

چیرمین

لاہور

18 ستمبر 2025

DIRECTORS' REPORT



The Board of Directors is pleased to present the Annual Report together with the audited financial statements of the Company for the year ended June 30, 2025.

Principal Activities

The Company owns, operates, and maintains a furnace oil-fired power plant with a net capacity of 124 MW (gross 131.44 MW).

During the year, the Company entered into negotiations with the National Task Force on Implementation of Structural Reforms (Power Sector) regarding amendments to the Power Purchase Agreement (PPA). As a result, an Amendment Agreement was signed with CPPA-G on February 19, 2025. Under this agreement, and in lieu of the settlement of previously disputed liquidated damages (LDs), the PPA has been extended by 161 days from June 20, 2027 to November 27, 2027 under the Other Force Majeure Event (OFME) clause of the PPA.

Financial Results

During FY 2024-25, sales were Rs. 4.33 billion compared to Rs. 10.01 billion last year due to lower dispatch. However, reduced maintenance and currency devaluation supported profits. Net profit after tax was Rs. 724 million (EPS: Rs. 4.27) versus Rs. 1,600 million (EPS: Rs. 9.44) in FY 2023-24. The summarized financial result of the Company for the year ended June 30, 2025 is as follows:-

Rupees in Thousand	2025	2024
Profit before taxation and levy	735,116	1,603,266
Taxation	(10,765)	(2,768)
Profit after taxation	724,351	1,600,498
Other comprehensive income / (loss)	-	-
Total comprehensive income for the year	724,351	1,600,498
Un-appropriated profit brought forward	2,831,855	3,688,506
Available for appropriations	3,556,206	5,289,004
	(1,186,210)	(2,457,149)
Un-appropriated profit carried forward	2,369,996	2,831,855
Earnings per share Rupees	4.27	9.44

DIRECTORS' REPORT

Sales tax remain under litigation; management and legal advisors expect favorable outcomes, Please see full detail in note 10.1 to these financial statements of the Company The precise detail is as follows:

The ACIR disallowed input sales tax on capacity purchase price, raising a demand of Rs. 505.41m. The CIR(A) partly upheld the order but reduced demand beyond the limitation period. The ATIR maintained the CIR(A)'s order, after which the Company appealed to Lahore High Court. On Oct 31, 2016, the Court decided in Company's favor. The tax department appealed to the Supreme Court, where the case remains pending. Management, supported by legal advisors, believes the demand is not sustainable; no provision has been recorded.

DCIR raised a demand of Rs. 184.13m relating to inadmissible input tax and alleged sales suppression. CIR(A) deleted Rs. 152.95m and remanded Rs. 31.18m for re-adjudication. Management expects a favorable outcome; no provision has been made.

CIR raised a demand of Rs. 231.57m for inadmissible input tax and under-declaration of supplies. CIR(A) dismissed the Company's initial appeal on jurisdictional grounds. ATIR later remanded the case for decision on merits. CIR(A) then set aside the assessment for re-verification. A protective appeal was also filed but withdrawn after High Court review. On June 27, 2025, the IRO upheld the original demand. The Company has filed an appeal before CIR(A), pending adjudication. Management considers the demand contestable; hence, no provision has been recorded.

Dividend Distribution

Based on the Board's recommendations, an interim dividend of 70% was declared in September 2024 and paid in October 2024

Operations

Electricity dispatch declined to 76,156 MWh (7.01% capacity factor) from 207,615 MWh (19.06%) last year. One major maintenance was completed during the year, compared to three major maintenances last year. All maintenance was carried out successfully, ensuring reliable operations. The plant passed the Annual Dependable Capacity Test at 129.29 MW, higher than the contractual 124 MW, reflecting strong technical performance despite 28+ years of operations.

Risk Management

The Company follows board-approved risk management policies covering foreign exchange, interest rate, credit, and liquidity risks. Risks are regularly assessed, and controls are updated to ensure effective mitigation.

Operational Risks

A comprehensive framework, managed by the Quality & EHS department, ensures safe and efficient operations. SOPs and contingency plans aligned with international standards are in place to handle potential risks.

Financial Risks

Details of financial risk management are provided in Note 34 to the financial statements.

Credit Rating

PACRA reaffirmed ratings at "AA" (long-term) and "A1+" (short-term), reflecting strong operations, governance, and secured cash flows.



Statements in Compliance with CCG

- Financial statements present a true and fair view.
- Proper books and accounting records maintained.
- IFRS applied consistently with prudent estimates.
- Effective internal control system in place.
- The key operating and financial data of last six years is attached to the report
- Board of Directors met seven Times, Audit Committee six times each and HR & Remuneration Committee met once.

Name of Directors	Attendance		
	BOD	AC	HR
Mr. M. Naseem Saigol	7/7		
Mr. Muhammad Zeid Yousuf Saigol	7/7		1/1
Mr. Muhammad Murad Saigol	7/7		
Syed Manzar Hassan	7/7	6/6	1/1
Mr. Muhammad Omer Farooq	7/7	6/6	
Ms. Sadaf Kashif	7/7	6/6	
Mr. Faisal Riaz	7/7		1/1

- No share trading by directors or executives and their spouses.
- Employees Provident Fund remains operational and registered.
- Audit Committee comprises three non-executive directors, chaired by an independent director.

DIRECTORS' REPORT

Corporate Social Responsibility (CSR)

Kohinoor Energy Limited ("the KEL") strongly believes in discharging its responsibilities as a corporate member of Pakistan and acts as a contributory member of the society. KEL fulfills its Corporate Social Responsibilities (CSR) in a manner that positively impacts its community. The Education and the Health Care are the focus areas of KEL's CSR Plan.

- **Medical:** Free healthcare provided to 5,678 patients at a cost of Rs. 5.97m.
- **Education:** 57 students supported (Rs. 2.49m).

Impact on Environment

The Company emphasizes energy efficiency, reduced emissions, and responsible use of natural resources. Environmental management systems ensure compliance and resilience against climate-related risks. EHS initiatives promote workplace safety, resource conservation, and sustainability.

Environmental monitoring for Emissions from Diesel Generators and testing of waste water is conducted on periodic basis for compliance of National Environmental Quality Standards (NEQS).

Internal Control System

Policies and procedures ensure orderly operations, safeguarding of assets, accuracy of records, fraud prevention, and timely preparation of financial information.

Auditors

M/s A.F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Audit Committee and the Board of Directors of the Company have endorsed their re-appointment for shareholders consideration in the forthcoming AGM

Pattern of Shareholding

A statement of shareholding pattern as of June 30, 2025 is annexed.

Acknowledgement

The Board appreciates the support of shareholders, CPPA, PPIB, financial institutions, and business partners, and acknowledges the dedication of employees in achieving reliable operations.

For and on behalf of the Board



M. Zeid Yousuf Saigol
Chief Executive Officer



Syed Manzar Hassan
Director

Lahore:
September 18, 2025

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کمپنی کے مالی حسابات کے ساتھ سالانہ رپورٹ برائے مدت ختمہ 30 جون 2025 خوشی محسوس کرتے ہوئے پیش کرتے ہیں۔

اہم سرگرمیاں

کمپنی کا بنیادی مقصد فرانس آئل سے چلنے والے 124 میگا واٹ کی خالص گنجائش (کل استعداد 131.44 میگا واٹ) بجلی گھر کی ملکیت، اسے چلانا اور اس کی دیکھ بھال کرنا ہے۔ مالی سال کے دوران کمپنی نے نیشنل ٹاسک فورس برائے عمل درآمد پر اصلاحات (پاور سیکٹر) کے ساتھ پاور پریچر ایگریمنٹ (پی پی اے) میں ترامیم کے سلسلے میں مذاکرات کئے۔ ان مذاکرات کے نتیجے میں 19 فروری 2025 کو پی پی اے۔ جی کے ساتھ ایک ترمیمی معاہدے پر دستخط ہوئے۔ اس معاہدے کے تحت ماضی میں متنازعہ مانع نقصانات (کے تصفیے کے بدلے، پی پی اے کو دن کے لئے بڑھا دیا گیا۔ یہ توسیع 20 جون 2027 دے بڑھا کر 27 نومبر 2027 تک کی گئی ہے جو کہ پی پی اے کی OFME) Other Force Majeure Event شق کے تحت ہے۔

مالی نتائج

مالی سال 2024-2025 کے دوران بجلی کی کم ترسیل کی وجہ سے فروخت 4.33 ارب روپے رہی جو پچھلے سال کی 10.01 ارب روپے کی فروخت سے کم ہے۔ تاہم کم تعداد میں انجنز کی مرمت اور کرنسی کی قدر میں کمی نے منافع کو سہارا دیا۔ بعد از ٹیکس خالص منافع 724 ملین روپے رہا (فی حصص آمدنی 4.27 روپے رہی) جبکہ پچھلے سال بعد از ٹیکس خالص منافع 1,600 ملین روپے تھی (فی حصص آمدنی 9.44 روپے)

کمپنی کے سالانہ مالی نتائج 30 جون 2025 کے اختتام پر درج ذیل ہیں:

2024	2025	
(روپے ہزار میں)		
1,603,266	735,116	قبل از ٹیکس منافع
(2,768)	(10,765)	ٹیکس
1,600,498	724,351	بعد از ٹیکس منافع
-	-	دیگر جامع آمدنی (خسارہ)
1,600,498	724,351	کل وسیع جامع آمدنی برائے سال
3,688,506	2,831,855	غیر مختص شدہ منافع
5,289,004	3,556,206	دستیاب شخصیات
(2,457,149)	(1,186,210)	
2,831,855	2,369,996	غیر ادا شدہ منافع
9.44	4.27	آمدنی فی شیئر روپے

سیلز ٹیکس سے متعلق معاملات تاحال زیر سماعت ہیں۔ کمپنی کی مینجمنٹ اور قانونی مشیران کے مطابق ان کے نتائج سازگار متوقع ہیں۔ مکمل تفصیل کمپنی کے مالی بیانات کے نوٹ نمبر 10.1 میں دی گئی ہے۔ خلاصہ درج ذیل ہے:

The ACIR disallowed input sales tax on capacity purchase price, raising a demand of Rs. 505.41m. The CIR(A) partly upheld the order but reduced demand beyond the limitation period. The ATIR maintained the CIR(A)'s order, after which the Company appealed to Lahore High Court. On Oct 31, 2016, the Court decided in Company's favor. The tax department appealed to the Supreme Court, where the case remains pending. Management, supported by legal advisors, believes the demand is not sustainable; no provision has been recorded

DCIR raised a demand of Rs. 184.13m relating to inadmissible input tax and alleged sales suppression. CIR(A) deleted Rs. 152.95m and remanded Rs. 31.18m for re-adjudication. Management expects a favorable outcome; no provision has been made

CIR raised a demand of Rs. 231.57m for inadmissible input tax and under-declaration of supplies. CIR(A) dismissed the Company's initial

ڈائریکٹرز رپورٹ

appeal on jurisdictional grounds. ATIR later remanded the case for decision on merits. CIR(A) then set aside the assessment for re-verification. A protective appeal was also filed but withdrawn after High Court review. On June 27, 2025, the IRO upheld the original demand. The Company has filed an appeal before CIR(A), pending adjudication. Management considers the demand contestable; hence, no provision has been recorded.

ڈیوڈنڈ کی ادائیگی

بورڈ آف ڈائریکٹرز سفارش پر ستمبر 2024 میں 70% منافع عبوری ڈیوڈنڈ کا اعلان کیا گیا جو اکتوبر 2024 میں ادا کر دیا گیا

آپریٹرز

بجلی کی ترسیل MWhs 76,156 (7.01% کپسٹی فیکٹر) رہی جو پچھلے سال کی ترسیل MWhs 207,615 (19.06% کپسٹی فیکٹر) سے کم تھی۔ اس سال ایک انجن کی میجر مینٹی نینس کی گئی جبکہ پچھلے سال تین انجن میجر مینٹی نینس کی گئیں تھیں اور تمام مینٹی نینس کامیابی کا ساتھ مکمل کی گئیں اور قابل اعتماد آپریٹرز کو یقینی بنایا۔ پلانٹ کو اٹھائیس سال سے زیادہ کا عرصہ گزر جانے کے باوجود 20 جون 2025 کو ہونے والے Annual Dependable Capacity Test (ADC) کو کامیابی سے کوایلنٹی کیا۔ نتیجتاً اس نے 129.29 MW استعداد کی قابل تعریف پرفارمنس کا مظاہرہ کیا جو 124 MW کی مجموعی معاہداتی استعداد سے کہیں زیادہ ہے۔

رہسک مینجمنٹ

کمپنیورڈ سے منظور شدہ رہسک مینجمنٹ پالیسیوں پر عمل کرتی ہے جن میں زرمبادلہ کا رہسک، شرح سود کا رہسک، کریڈٹ رہسک اور لیکویڈیٹی رہسک شامل ہیں۔

آپریٹنگ خطرات

کوالٹی اور EHS ڈیپارٹمنٹ کے تحت ایک جامع فریم ورک نافذ ہے جو محفوظ اور موثر آپریٹرز کو یقینی بناتا ہے۔

مالیاتی خطرات

کمپنی کے مالیاتی خطرات کے انتظام کو کمپنی کے مالیاتی حسابات کے نوٹ نمبر 34 میں واضح کر دیا گیا ہے۔

کریڈٹ رینٹنگ

پاکستان کریڈٹ رینٹنگ ایجنسی (PACRA) نے کمپنی کی رینٹنگ "AA" (طویل المدت) اور "A1+" (قلیل المدت) برقرار رکھی جو مستحکم آپریٹرز اور اچھی گورننس کی عکاس ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل میں اسٹیٹمنٹس

ڈائریکٹرز بیان کرتے ہیں کہ:

- ☆ فنانسئل اسٹیٹمنٹس درست اور منصفانہ ہیں۔
- ☆ کمپنی کے حسابات کو کھاتوں میں مناسب طریقے سے درج کیا گیا ہے۔
- ☆ فنانسئل اسٹیٹمنٹس کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینوں کی بنیاد مناسب اور معقول فیصلوں پر ہے۔
- ☆ فنانسئل رپورٹنگ کے بین الاقوامی معیارات IFRS مستقل مزاجی سے لاگو کئے گئے ہیں
- ☆ داخلی کنٹرول کے نظام کو موثر طریقے سے نافذ کیا گیا ہے۔
- ☆ پچھلے چھ سال کا آپریٹنگ اور فنانسئل ڈیٹا اس رپورٹ کے ساتھ منسلک ہے۔
- ☆ زیر جائزہ مالی سال کے دوران بورڈ آف ڈائریکٹرز کے سات، آڈٹ کمیٹی کے چھ اور ایچ آر کمیٹی کا ایک اجلاس ہوا

حاضری			حاضری		
ایچ آر کمیٹی	آڈٹ کمیٹی	بورڈ	ڈائریکٹر کا نام	بورڈ	ڈائریکٹر کا نام
1/1		7/7	جناب محمد زید یوسف سہگل	7/7	جناب نسیم سہگل
1/1	6/6	7/7	جناب سید منظر حسن	7/7	جناب محمد مراد سہگل
	6/6	7/7	جناب محمد عمر فاروق		
	6/6	7/7	محترمہ صدف کاشف		
1/1		7/7	جناب فیصل ریاض		

- ☆ زیر غور مالی سالی کے دوران ایچ آر اور مشاہرہ کمیٹی کا ایک اجلاس ہو جس میں جناب محمد زید یوسف سہگل، جناب سید منظر حسن اور جناب فیصل ریاض شریک ہوئے۔
- ☆ رواں مالی سال کے دوران سپانسرز اور ڈائریکٹرز اور ایگزیکٹوز کی جانب سے شیئرز کی کوئی ٹرانزکشن نہیں کی گئی۔
- ☆ کمپنی کا ایپلائز پراؤڈنڈ فنڈ فعال اور رجسٹرڈ ہے
- ☆ بورڈ نے آڈٹ کمیٹی قائم کی ہے۔ یہ بین نان ایگزیکٹوز ڈائریکٹرز پر مشتمل ہے۔ غیر جانبدار ڈائریکٹرز اس کمیٹی کا چیئر مین ہے۔

کارپوریٹ سماجی ذمہ داریاں (CSR)

کوہ نور انرجی لمیٹڈ پاکستان کے کارپوریٹ ممبر کی حیثیت اپنی معاشرتی ذمہ داریاں پوری کرنے پر یقین رکھتا ہے اور معاشرے کے ایک معاون ممبر کے طور پر کام کر رہا ہے۔ کوہ نور انرجی اپنی سماجی ذمہ داریوں کو اس انداز سے پورا کرتا ہے جو اس کی ملاحقہ کمیونٹی پر مثبت اثرات مرتب کرتا ہے۔ علاج معالجے کی سہولت اور تعلیم ہمارے CSR پروگرام کا اہم حصہ ہے۔

(a) طبی سہولت: 5,678 مریضوں کو مفت علاج کی سہولت (لاگت: 5.97 ملین روپے)

(b) تعلیمی سہولت: 57 طلباء کو مفت تعلیم کی فراہمی میں معاونت (لاگت: 2.49 ملین روپے)

ماحول پر اثرات

کمپنی توانائی کے منوثر استعمال، اخراج میں کمی اور وسائل کے ذمہ دارانہ استعمال پر توجہ دیتی ہے۔ ماحولیاتی نظم و نسق کے انتظام، ماحولیاتی قوانین کی پاسداری اور موسمیات کی تبدیلی سے جڑے خطرات کے مقابلے میں چلک پیدا کرتے ہیں۔ مزید برآں، EHS اقدامات کام کی جگہ پر حفاظت، وسائل کے منوثر استعمال اور پائیداری کو فروغ دیتے ہیں

کمپنی کا اندرونی نظام کنٹرول

انتظامیہ نے پالیسیوں اور طریقہ کار کے ذریعے کمپنی کے اثاثوں کے تحفظ، ریکارڈ کی درستگی اور مالی معلومات کی بروقت تیاری کو یقینی بنایا ہے۔

آڈیٹرز

کمپنی کے موجودہ قانونی آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں، انھوں نے مستحق ہونے کے ناطے خود کو دوبارہ تقرر کے لیے پیش کیا ہے۔ کمپنی کی آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے شیئرز ہولڈرز کے سالانہ اجلاس عام میں ان کے تقرر کی منظوری دے دی ہے۔

شیئرز ہولڈنگ کا پٹرین

30 جون 2025 تک کے پٹرین آف شیئرز ہولڈنگ کی تفصیل پورٹ کے ساتھ منسلک ہے۔

اظہار تشکر

بورڈ، گراں قدر شیئرز ہولڈرز، سی پی پی اے، پی پی آئی بی، مالیاتی اداروں اور کاروباری شراکت داروں کی معاونت کو سراہتا ہے اور کمپنی کے ملازمین کی محنت و لگن کا اعتراف کرتا ہے جنہوں نے قابل اعتماد آپریشنز کو یقینی بنایا۔



سید منظر حسن
ڈائریکٹر



محمد زید یوسف سہگل
چیف ایگزیکٹو

لاہور

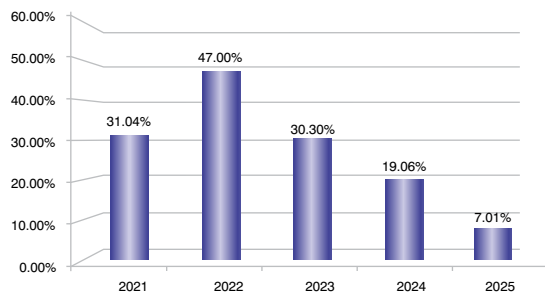
18 ستمبر 2025

FINANCIAL DATA

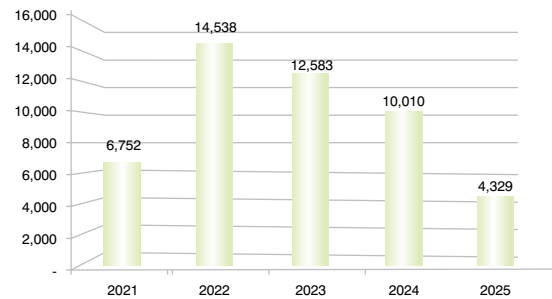
	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
DISPATCH LEVEL (%)	7.01%	19.06%	30.30%	47.49%	31.04%	33.41%
DISPATCH (MWH)	76,156	207,615	329,160	515,812	337,122	363,856
REVENUE (Rs. 000)						
ENERGY FEE	2,354,937	7,218,642	10,131,116	12,731,175	4,635,701	5,020,777
CAPACITY FEE	1,787,670	2,446,893	1,966,432	1,631,827	1,752,832	1,623,874
INTEREST ON DELAYED PAYMENT	186,204	344,358	485,589	175,308	363,797	904,131
TOTAL REVENUE	4,328,811	10,009,893	12,583,137	14,538,310	6,752,330	7,548,782
COST OF SALES	2,983,165	7,711,987	10,194,769	12,562,948	4,983,277	5,391,882
GROSS PROFIT	1,345,646	2,297,906	2,388,368	1,975,362	1,769,053	2,156,900
PROFITABILITY (Rs. 000)						
PROFIT/(LOSS) BEFORE TAX & LEVY	735,116	1,602,502	1,575,006	1,509,580	1,202,984	1,036,752
PROVISION FOR INCOME TAX	10,765	2,768	1,539	2,200	3,563	94
PROFIT/(LOSS) AFTER TAX	724,351	1,600,498	1,573,467	1,507,380	1,199,421	1,036,658
OTHER COMPREHENSIVE INCOME / (LOSS)	-	-	-	-	25,273	(25,774)
FINANCIAL POSITION (Rs. 000)						
NON CURRENT ASSETS	2,535,394	2,385,366	2,365,972	2,693,734	2,845,589	3,219,285
CURRENT ASSETS	2,850,216	5,346,386	4,768,597	6,916,673	7,367,352	9,156,796
LESS CURRENT LIABILITIES	1,321,028	3,205,311	1,751,477	4,699,301	4,111,682	5,833,490
NET WORKING CAPITAL	1,529,188	2,141,075	3,017,120	2,217,372	3,255,670	3,323,306
CAPITAL EMPLOYED	4,064,582	4,526,441	5,383,092	4,911,106	6,101,259	6,542,591
LESS LONG TERM LOANS					28,560	
SHARE HOLDERS EQUITY	4,064,582	4,526,441	5,383,092	4,911,106	6,072,699	6,542,591
REPRESENTED BY (Rs. 000)						
SHARE CAPITAL	1,694,586	1,694,586	1,694,586	1,694,586	1,694,586	1,694,586
SHARE PREMIUM						
BONUS SHARES						
UNAPPROPRIATED PROFIT BEFORE APPROPRIATION	3,556,206	5,289,004	4,789,987	5,885,493	6,072,699	5,186,922
APPROPRIATION / DIVIDENDS	1,186,210	2,457,149	1,101,481	2,668,973	1,694,586	338,917
EFFECT OF RETROSPECTIVE CHANGE IN ACCOUNTING POLICY						
UNAPPROPRIATED PROFIT BROUGHT FORWARD	2,369,996	2,831,855	3,688,506	3,216,520	4,378,113	4,848,005
	4,064,582	4,526,441	5,383,092	4,911,106	6,072,699	6,542,591
SHARE PRICES AS ON JUNE 30,	16.63	40.71	30.75	38.30	36.00	34.98
EARNING PER SHARE	4.27	9.44	9.29	8.90	7.08	6.12
RATIOS:						
RETURN ON ASSETS	13.45%	20.70%	22.05%	15.68%	11.74%	8.38%
PRICE EARNING RATIO	3.89	4.31	3.31	4.30	5.08	5.72
BREAK UP VALUE PER SHARE OF Rs. 10 EACH	23.99	26.71	31.77	28.98	35.84	38.61
CURRENT RATIO	2.16	1.67	2.72	1.47	1.79	1.57
NET PROFIT/(LOSS) TO SALES (%AGE)	16.73%	15.99%	12.50%	10.37%	17.76%	13.73%
DPS	7.00	14.50	6.50	15.75	10.00	2.00

PERFORMANCE OVERVIEW

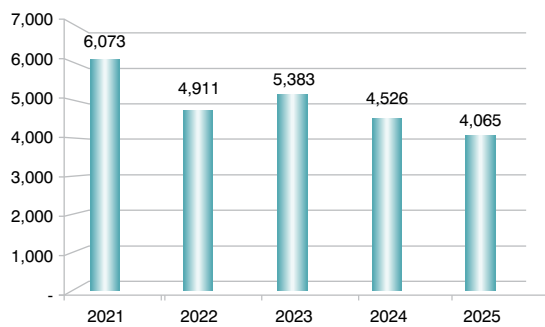
Dispatch Percentage



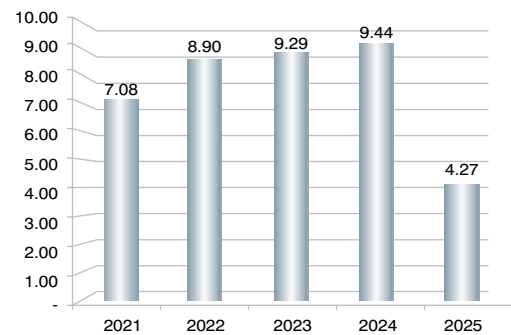
Turnover (Rupees in Million)



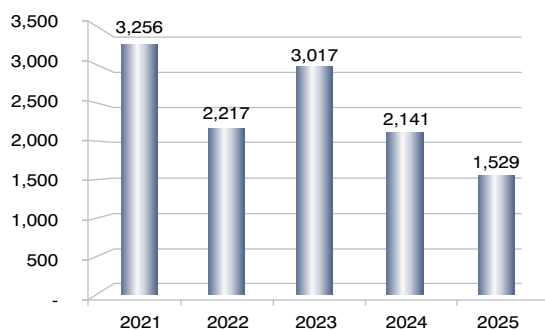
Shareholding Equity (Rupees in Million)



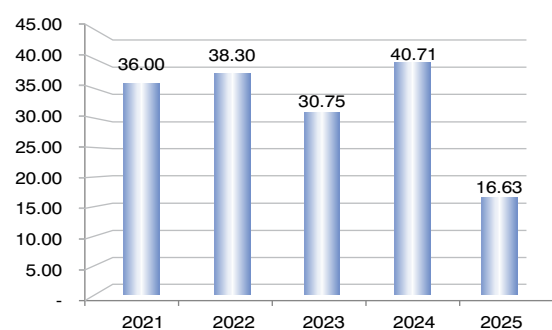
Earning Per Share (Rupees)



Working Capital Analysis (Rupees in Million)



Share Price (Rupees)



GENDER PAY GAP STATEMENT

UNDER CIRCULAR NO. 10 OF 2024 OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Name of Company : Kohinoor Energy Limited

Year ending : June 30, 2025

Following is the gender pay gap calculated for the year ended 30 June, 2025:

- (i) Mean Gender pay gap: 4.79%
- (ii) Median Gender pay gap: -20.52%
- (iii) Any other data/details as deemed relevant: The Company offers its employees equitable compensation based on their individual profile and performance without any discrimination with respect to their gender.

For and on behalf of the Board of Directors of the Company.



Lahore:
September 18, 2025

M. Zeid Yousuf Saigol
Chief Executive/Direcor

STATEMENT OF COMPLIANCE

With Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG) For the Year Ended June 30, 2025

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

1. The total number of directors are 07 as per the following:

a. Male: 06 (Six) **b. Female:** 01 (One)

2. The composition of board is as follows:

Independent Director	Non-Executive Directors
Mr. Muhammad Omer Farooq Mr. Faisal Riaz Ms. Sadaf Kashif (Female Director)	Mr. M. Naseem Saigol Syed Manzar Hassan
Executive Directors	Female Director
Mr. Muhammad Zeid Yousaf Saigol Mr. Muhammad Murad Saigol	Ms. Sadaf Kashif

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured a complete record of particulars of significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Director's Training program for the following:
 - 1) Mr. Muhammad Omer Farooq (Director)
 - 2) Mr. Faisal Riaz (Director)
 - 3) Ms. Sadaf Kashif (Director)
 - 4) Syed Manzar Hassan (Director)
 - 5) Mr. Muhammad Zeid Yousuf Saigol (Director)
 - 6) Mr. Muhammad Murad Saigol (Director)
10. The board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the board;
12. The Board has formed committees comprising of members given below:

Audit Committee

1. Mr. Muhammad Omer Farooq (Chairman)
2. Syed Manzar Hassan (Member)
3. Ms. Sadaf Kashif (Member)

HR and Remuneration Committee

1. Mr. Faisal Riaz (Chairman)
2. Mr. Muhammad Zeid Yousuf Saigol (Member)
3. Syed Manzar Hassan (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:
 - a) Audit Committee : Six meetings held during the financial year 2024-2025
 - b) HR and Remuneration Committee : One meeting held during the financial year 2024-2025
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1.	<u>Representation of Minority shareholders</u> The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one has intended to contest the election as director representing minority shareholders.	5

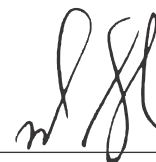
Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
2.	<u>Responsibilities of the Board and its members</u> Adoption of the corporate governance practices.	All mandatory requirements of Code are complied with whereas, non-mandatory provisions of the CCG Regulations are partially complied.	10(1)
3.	<u>Responsibilities of the Board and its members</u> Board is responsible for governance and oversight of sustainability risks and opportunities. Additionally, they are encouraged to ensure that policies to promote diversity, equity and inclusion (DE&I) are in place.	The board will take appropriate measures to proactively understand and address the principal as well as emerging sustainability risks and opportunities relevant to the company and its business. Further, the Board will ensure that policies relating to diversity, equity and inclusion (DE&I) are formulated and implemented in due course.	10A
4.	<u>Director's Training</u> Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for head of department over the next few years.	19(3)
5.	<u>Director's Training</u> Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from July 2020.	The Company has planned to arrange Directors' Training Program certification for female executives over the next few years.	19(3)
6.	<u>Nomination Committee</u> The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the board has not constituted a separate Nomination Committee, and the functions are being performed by the Human Resource & Compensation Committee.	29(1)
7.	<u>Risk Management Committee</u> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the board has not constituted a separate Risk Management Committee, and the Company's Audit Committee performs the requisite functions and apprises the board accordingly.	30(1)

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
8.	<u>Directors' report</u> The Directors' Report shall include the remuneration policy of non-executive directors including independent directors, as approved by the Board, which shall also include disclosing the significant features and elements thereof.	Company has not disclosed the remuneration policy of non-executive directors.	34(2)(iv)
9.	<u>Disclosure of significant policies on website</u> The company may post key elements of its significant policies, brief synopsis of reference of the Board Committees on its website and key elements of the directors' remuneration policy.	The requirement to disclose significant policies on the website is non-mandatory in regulation No. 35(1), and thus the Company has uploaded limited information in this respect on its website. The Company is, however, considering placing key elements and synopsis of other policies on its website.	35

For the behalf of the Board



Syed Manzar Hassan
Director



M. Zeid Yousuf Saigol
Chief Executive/Direcor

Lahore:
September 18, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF KOHINOOR ENERGY LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Kohinoor Energy Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.



A.F. Ferguson & Co.
Chartered Accountants

Lahore

Date: October 3, 2024

UDIN: CR202510884MtKI43UsL

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Unconsolidated Financial Statements as at June 30, 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Kohinoor Energy Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Kohinoor Energy Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025, 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the 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 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, 2025 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.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Amendment Agreement</p> <p>(Refer note 1.1 to the annexed unconsolidated financial statements).</p> <p>The Power Purchase Agreement (PPA) of the Company was initially for a term of 30 years and was due to expire on June 19, 2027.</p> <p>During the year, the Company signed an Amendment Agreement to amend the PPA and Implementation Agreement (IA) with the Power Purchaser, effective from November 1, 2024, in which the current indexation mechanism was</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> - Obtained the Amendment Agreement and checked approvals of the representatives of relevant stakeholders (the Company, Power Purchaser and Government of Pakistan); - Inspected the minutes of the meeting of Board of Directors relating to the discussion and approval of the amendment;

S. No.	Key audit matter	How the matter was addressed in our audit
	<p>amended to incorporate certain discounts and adjustments.</p> <p>As per the Amendment Agreement, it has been agreed to implement a 'Hybrid Take-and-Pay Model'. Further, it was mutually agreed between the parties to write-off any claims of Delay Payments up until October 31, 2024 and the Company was entitled to receive Rs. 2,710 million within ninety (90) days of the effective date, as full and final settlement of past payables.</p> <p>Additionally, in order to resolve the issue of disputed LDs imposed by the Power Purchaser, the PPA term was extended by one hundred and sixty-one days till November 27, 2027, without any claim for Capacity Payment during this extended period.</p> <p>Signing of the above-mentioned Amendment Agreement and its impact on the unconsolidated financial statements is a significant event during the year and therefore, we considered this as a key audit matter.</p>	<ul style="list-style-type: none"> - Recalculated the amount of revenue to ensure that discounts and indexation adjustments have been duly incorporated as per the Amendment Agreement; - Traced the amount of receipts as per the amended agreement to the Company's bank statements; - Recalculated the amount of interest on delayed payments written off; - Reviewed the impairment testing conducted by the Management on the Property, Plant and Equipment; and - Assessed the appropriateness of the accounting treatment and related disclosures in the unconsolidated financial statements as per applicable accounting and financial reporting framework.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated and consolidated 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 judgment 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.

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

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

Report on Other Legal and Regulatory Requirements

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

- (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 Muhammad Ahsan Nadeem.



A. F. Ferguson & Co
Chartered Accountants

Lahore

Date: : October 3, 2025

UDIN: AR202510884O78rmyve1

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2025 (Rupees in thousand)	2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 170,000,000 (June 30, 2024: 170,000,000) ordinary shares of Rs. 10 each		1,700,000	1,700,000
Issued, subscribed and paid up capital 169,458,614 (June 30, 2024: 169,458,614) ordinary shares of Rs. 10 each	5	1,694,586	1,694,586
Un-appropriated profit		2,369,996	2,831,855
		4,064,582	4,526,441
NON-CURRENT LIABILITIES			
		-	-
CURRENT LIABILITIES			
Employee benefits	6	11,907	10,838
Short term finances - secured	7	1,050,502	2,476,137
Trade and other payables	8	184,195	605,016
Accrued finance cost	9	31,442	65,628
Unclaimed dividend		18,586	17,830
Provision for taxation - net		24,396	29,862
		1,321,028	3,205,311
CONTINGENCIES AND COMMITMENTS			
	10		
		5,385,610	7,731,752

The annexed notes 1 to 41 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer

AS AT JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,531,727	2,382,648
Intangible assets	12	1,092	1,574
Long term loans and deposits	13	1,575	144
Investment in subsidiary	14	1,000	1,000
		<u>2,535,394</u>	<u>2,385,366</u>
CURRENT ASSETS			
Stores, spares and loose tools	15	444,302	403,787
Stock in trade	16	366,053	569,415
Trade debts - net	17	1,208,562	2,853,377
Loans, advances, deposits, prepayments and other receivables	18	538,442	553,001
Short term investments	19	216,294	14
Cash and bank balances	20	76,563	966,792
		<u>2,850,216</u>	<u>5,346,386</u>
		<u><u>5,385,610</u></u>	<u><u>7,731,752</u></u>



Director

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
Revenue from contract with customer	21	4,328,811	10,009,893
Cost of sales	22	(2,983,165)	(7,711,987)
Gross profit		1,345,646	2,297,906
Administrative expenses	23	(268,114)	(385,770)
Other expenses	24	(41,075)	(882)
Other income	25	41,791	12,004
Operating profit		1,078,248	1,923,258
Finance costs	26	(343,132)	(319,992)
Profit before levy and taxation		735,116	1,603,266
Levy	27	(8,465)	(764)
Profit before taxation		726,651	1,602,502
Taxation	28	(2,300)	(2,004)
Profit for the year		724,351	1,600,498
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		724,351	1,600,498
Earnings per share - basic and diluted - (In Rupees)	37	4.27	9.44

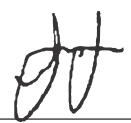
The annexed notes 1 to 41 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Share Capital	Un-appropriated Profit	Total
	(Rupees in thousand)		
Balance as at July 1, 2023	1,694,586	3,688,506	5,383,092
Transactions with owners in their capacity as owners:			
Interim dividends for the year ended June 30, 2024			
First interim dividend at the rate of Rs. 4.00 per share	-	(677,834)	(677,834)
Second interim dividend at the rate of Rs. 5.50 per share	-	(932,022)	(932,022)
Third interim dividend at the rate of Rs. 5.00 per share	-	(847,293)	(847,293)
	-	(2,457,149)	(2,457,149)
Profit for the year	-	1,600,498	1,600,498
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,600,498	1,600,498
Balance as at June 30, 2024	1,694,586	2,831,855	4,526,441
Transactions with owners in their capacity as owners:			
Interim dividend for the year ended June 30, 2025			
at the rate of Rs. 7.00 per share	-	(1,186,210)	(1,186,210)
	-	(1,186,210)	(1,186,210)
Profit for the year	-	724,351	724,351
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	724,351	724,351
Balance as at June 30, 2025	1,694,586	2,369,996	4,064,582

The annexed notes 1 to 41 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	29	2,663,494	2,618,769
Employee benefits paid	6	(24,942)	(20,525)
Finance costs paid		(377,318)	(367,132)
Income tax paid		(7,767)	(20,540)
Net cash generated from operating activities		2,253,467	2,210,572
Cash flows from investing activities			
Payment for acquisition of property, plant and equipment		(377,367)	(486,537)
Proceeds from disposal of property, plant and equipment		21,680	3,939
Profit on bank deposits received		7,932	6,911
Dividend income received		33,859	5,093
Purchase of short term investments		(1,775,394)	(2,214,339)
Proceeds from disposal of short term investments		1,559,114	2,214,325
Increase in long term loans and deposits		(1,431)	(1,000)
Investment in subsidiary		(1,000)	-
Net cash used in investing activities		(532,607)	(471,608)
Cash flows from financing activities			
Dividend paid		(1,185,454)	(2,470,845)
Net cash used in financing activities		(1,185,454)	(2,470,845)
Net increase / (decrease) in cash and cash equivalents		535,406	(731,881)
Cash and cash equivalents at the beginning of the year		(1,509,345)	(777,464)
Cash and cash equivalents at the end of the year	30	(973,939)	(1,509,345)

The annexed notes 1 to 41 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1 Legal status and nature of business

Kohinoor Energy Limited (the 'Company') was incorporated in Pakistan on April 26, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance) repealed with the enactment of the Companies Act, 2017 on May 30, 2017. The Company is listed on the Pakistan Stock Exchange. The principal activities of the Company are to own, operate and maintain a power plant of 124 MW capacity in Lahore and to sell the electricity produced therefrom to a sole customer, the Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA), for a term of 30 years which commenced from June 19, 1997. Subsequently, WAPDA has irrevocably transferred all of its rights, obligations and liabilities under the PPA to Central Power Purchasing Agency Guarantee Limited (CPPA-G) (Power Purchaser) thereunder via Novation Agreement and Amendment Agreement to the Implementation Agreement which became effective on February 11, 2021 after approval from the relevant authorities. The Power Purchase Agreement (PPA) has been extended for a period of one hundred and sixty one (161) days from June 20, 2027 to November 27, 2027, based on the Amendment Agreement signed on February 19, 2025 between the CPPA-G and the Company.

The address of the registered office of the Company is 301, 3rd Floor, Green Trust Tower, Blue Area, Islamabad and the Company's power plant has been set up at Post Office Raja Jang, Near Tablighi Ijtima, Raiwind Bypass, Lahore.

1.1 Amendment Agreement

During the year, the Company entered into negotiations with the National Task Force on Implementation of Structural Reforms (Power Sector) to amend the Power Purchase Agreement (PPA). On February 19, 2025, the Amendment Agreement was signed between the CPPA-G and the Company whereby both parties agreed to implement a 'Hybrid Take-and-Pay Model'. The Amendment Agreement has been effective from November 01, 2024.

As part of the Amendment Agreement, the Variable Operations and Maintenance ("O&M") component of the Energy Purchase Price ("EPP") shall be indexed as per the existing PPA, except for the future variation in PKR/USD, which shall be allowed only to the extent of 70% of the actual variation in PKR/USD.

The current indexed tariff of the 50% Escalable Component of Capacity Purchase Price ("CPP") has been discounted by 30% and shall be indexed semi-annually at the rate of 2.47% or the National Consumer Price Index ("NCPI"), whichever is lower. The Company will be entitled to only 35% of the remaining 50% of the Escalable Component (Fixed) of CPP, whereas the remaining 65% will be paid only if the Net Electrical Output (NEO) exceeds 35% of the Dependable Capacity in terms of kWh.

As per the Amendment Agreement, it was mutually agreed to waive off any claims of Delay Payments up until October 31, 2024. Furthermore, the revised rate for future delayed payment under the amendment shall be 3-month KIBOR + 1% (prevailing on the due date on invoice).

Pursuant to the terms of these Agreements, the Company was entitled to receive Rs. 2,710 million within ninety (90) days of the Effective Date, as full and final settlement of past payables, which has been fully received in accordance with the agreement.

As per the Amendment Agreement, in order to resolve the issue of disputed liquidated damages (LDs) imposed by the Power Purchaser, the PPA term shall be extended by one hundred and sixty-one (161) days, without any claim for Capacity Payment during this extended period.

- 1.2** The amended PPA is due to expire on November 27, 2027. Management believes that KEL's operations will remain sustainable beyond the expiry of the current PPA. This assessment is supported by the anticipated growth in national electricity demand, driven by certain factors such as expected shift of the textile sector from captive generation to the national grid following changes in tariff regime, the anticipated growth in industrial activity following reduction in electricity tariffs and interest rates in the recent past, and the plant's strategic location near key consumption hubs. In addition, the Company is actively exploring opportunities under the upcoming Competitive Trading Bilateral Contracts Market (CTBCM) and potential direct supply arrangements with industrial bulk consumers. These initiatives are expected to support continued operations and diversify revenue streams going forward. Accordingly, the unconsolidated financial statements have been prepared on a going concern basis.

2 Basis of preparation

2.1 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:

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

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

As disclosed in Note 2.3.2, the Securities and Exchange Commission of Pakistan (SECP) has granted general exemption from the application of IFRS 16 and IFRS 9 on certain matters, which have been applied in the preparation of these unconsolidated financial statements.

- 2.2** These financial statements represent the separate financial statements of Kohinoor Energy Limited, in which investment in the subsidiary company, namely KEL Power Solutions (Private) Limited (KPSL) has been accounted for at cost less accumulated impairment losses, if any. The consolidated financial statements of the Group are being issued separately.

2.3 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's unconsolidated financial statements covering annual periods, beginning on or after the following dates as detailed below:

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

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated financial statements.

2.3.2 Exemption from applicability of certain standards

- a) Securities and Exchange Commission of Pakistan ('SECP') through SRO 986(I)/2019 dated September 2, 2019 has granted exemption from the requirements of IFRS 16 'Leases' to all companies to the extent of their power purchase agreements executed before January 1, 2019. Therefore, the standard will not have any impact on the Company's unconsolidated financial statements to the extent of its PPA. For the remaining leases, the Company has assessed that the application of this standard does not have any material impact on these unconsolidated financial statements.

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a finance lease. The Company's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if the Company were to follow IFRS 16 with respect to its power purchase agreement, the effect on the unconsolidated financial statements would be as follows:

	2025	2024
	(Rupees in thousand)	
De-recognition of property, plant and equipment	(1,969,148)	(1,990,569)
Recognition of lease debtor	340,932	349,785
Decrease in un-appropriated profit at the beginning of the year	(1,640,784)	(1,727,848)
Increase in profit for the year	12,568	87,064
Decrease in un-appropriated profit at the end of the year	<u>(1,628,216)</u>	<u>(1,640,784)</u>

- b) The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 229 (I) / 2019 dated February 14, 2019 notified that the standard IFRS 9, 'Financial Instruments' would be effective for reporting period / year ending on or after June 30, 2019. However, SECP through S.R.O. 985 (I) / 2019 dated September 30, 2019 granted exemption from applying expected credit loss based impairment model to financial assets due from the Government till June 30, 2021, which was further extended till June 30, 2022 vide S.R.O. 1177 (I) / 2021 dated September 13, 2021. The extension was subsequently granted till December 31, 2024 vide S.R.O. 67(I) / 2023 dated January 20, 2023, and has now been further extended till December 31, 2025 vide S.R.O. 1784(I) / 2024 dated November 4, 2024. Accordingly, the Company has not followed the requirements of IFRS 9 with respect to application of Expected Credit Losses in respect of trade debts and other receivables due from CPPA-G. The Company is in the process of assessing the impact of this amendment on the Company's unconsolidated financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2025, but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these unconsolidated financial statements, except for the following:

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

The amendments clarify the timing for recognizing and derecognizing certain financial assets and liabilities, introduce an exception for some financial liabilities settled via electronic cash transfers, provide additional guidance for assessing if a financial asset meets the Solely Payment of Principal and Interest ('SPPI') criterion, require new disclosures for instruments with cash flow changes linked to Environmental, Social and Governance ('ESG') targets, and update disclosures for equity instruments designated at FVOCI.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

The above mentioned amendments are effective for accounting periods beginning on or after January 1, 2026.

b) IFRS 18 Presentation and Disclosure in Financial Statements

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

The above mentioned standard is effective for accounting periods beginning on or after January 1, 2027.

c) International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability-related financial information' and International Financial Reporting Standard (IFRS) S2, 'Climate-related disclosures'

The International Sustainability Standards Board ('ISSB') issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after July 01, 2025, as notified by the Securities Exchange Commission of Pakistan through order dated December 31, 2024. Subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

d) Annual improvements to International Financial Reporting Standards – Volume 11 (effective for annual period beginning on July 1, 2026)

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

2.4 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention unless specified otherwise.

3 Significant accounting judgements, estimates and assumptions

The Company's material accounting policy information is stated in note 4. Not all of these material accounting policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers significant because of their complexity, judgment of estimation involved in their application and their impact on these unconsolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the unconsolidated financial statements are as follows:

a) Useful lives and residual values of property, plant and equipment

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

b) Provision for obsolescence of stores and spares

The Company reviews stores and spares inventory items based on the technical evaluation(s) conducted in-house by the technical team. Provision is recognized against items determined to be obsolete and / or not expected to be used up till the expiry of PPA term.

3.1 Change in accounting estimate - useful life and residual value of assets

As described in note 1 to the unconsolidated financial statements, the PPA of the Company has been extended for a period of one hundred and sixty one (161) days, therefore the remaining useful lives of plant and machinery, buildings on freehold land, and intangible assets have been revised during the year so that the depreciable amount of assets is written off over the economic life or the extended term of PPA, whichever is lower. Furthermore, the residual value of plant and machinery, buildings on freehold land and laboratory equipment has also increased based on a valuation exercise conducted by an independent valuer. Such a change has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and has been treated prospectively. Had these useful lives and residual values not been changed, the depreciation / amortisation for the year would have been higher by Rs 337 million and profit after tax for the year would have been lower by Rs. 337 million (EPS impact – Rs. 1.99 per share).

4 Material accounting policy information

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

4.1 Taxation

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan, these fall within the

scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these unconsolidated financial statements, except for taxes on normal business income which is specifically within the scope of IAS 12 and hence it continues to be categorized as current income tax.

Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized directly in equity or other comprehensive income.

Current income tax

The profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. However, full provision is made in the profit and loss account on income from sources not covered under the above clause at current rates of taxation after taking into account, tax credits and rebates available, if any.

Deferred tax

Deferred tax has not been provided for in these unconsolidated financial statements as the Company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

4.2 Employee benefits

a) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

b) Post employment benefit - Defined contribution plan (Provident Fund)

There is an approved defined contributory provident fund for all employees. Equal monthly contributions are made both by the Company and employees to the fund at the rate of 10 percent of the basic salary subject to completion of minimum qualifying period of service as determined under the rules of the fund.

4.3 Property, plant and equipment

4.3.1 Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to certain plant and machinery comprises historical cost, exchange differences capitalized in previous years and borrowing cost mentioned in note 4.15.

Depreciation on all operating fixed assets is charged to profit or loss on the straight line method so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in note 11.1 after taking into account their residual values.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if the impact on depreciation is significant. Please refer to note 3.1 which describes the change in Company's assets' residual values and useful lives.

Depreciation on additions to operating fixed assets is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

The net exchange difference relating to an asset which was capitalized in line with the exemption granted by Securities and Exchange Commission of Pakistan, is being amortised in equal installments over its remaining useful life.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.5).

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.3.3 Major spare parts and standby equipment

Major spare parts and standby equipment qualify as property, plant and equipment when an entity expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

4.4 Intangible assets

Expenditure incurred to acquire intangible assets is stated at cost less accumulated amortisation and any identified impairment loss. Intangible assets are amortised using the straight line method over its estimated useful life at the annual rates mentioned in note 12. Intangibles assets which are fully amortised till June 30, 2025 are mentioned in note 12.2.

Amortisation on additions to intangible assets is charged from the month in which an asset is available for use while no amortisation is charged for the month in which the asset is disposed off.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.5).

4.5 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.6 Stores, spares and loose tools

Stores, spares and loose tools are valued principally at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the unconsolidated statement of financial position date while items considered obsolete are carried at nil value.

Provision for obsolescence of stores and spare parts wherever required, is made on the basis of management's best estimate of usability of items and considering the ageing analysis prepared on an item by item basis.

4.7 Stock in trade

Inventories, except for that in transit, are valued principally at lower of cost and net realizable value. Cost is determined using First in First Out method for Furnace oil while weighted average method is used for the remaining items. Inventories in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realizable value is determined on the basis of estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. If the expected net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value.

4.8 Financial assets

4.8.1 Classification

The Company classifies its financial assets other than investments in equity instruments of subsidiary and associate in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss], and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

4.8.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

4.8.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i) Amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as separate line item in the statement of profit or loss.

ii) Fair Value through Other Comprehensive Income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as separate line item in the statement of profit or loss.

iii) Fair Value through Profit or Loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss in the period in which it arises.

As at the reporting date, the Company classifies the investments relating to Mutual Funds at fair value through profit or loss since these are held for trading.

Equity instruments

The Company subsequently measures all equity investments except for investments in equity instruments of subsidiary and associate at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.8.4 Impairment of financial assets other than those due from the Government of Pakistan and investment in equity instruments

The Company assesses on a forward-looking basis, the expected credit losses ('ECL') associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies general 3-stage approach for loans, deposits and other receivables and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Long term loans;
- Loans, deposits and other receivables;
- Short term investments; and
- Bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increase in credit risk on other financial instruments of the same counterparty; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of borrowers; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of counterparty's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.9 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

4.10 Investments in equity instruments of subsidiaries and associates

Investments in subsidiaries and associates where the Company has significant influence are measured at cost in the Company's separate financial statements in accordance with IAS-27 'Separate financial statements'. Cost in relation to investments made in foreign currency is determined by translating the consideration paid in foreign currency into Pak Rupees at exchange rate prevailing on the date of transaction. At subsequent reporting dates, the Company reviews the

carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense in the unconsolidated statement of profit or loss. Acquisitions or disposals of investments under common control as part of reorganization of the group are accounted for under predecessor value method.

4.11 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.12 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan includes trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. The Company follows relevant requirements of IAS 39 in respect of impairment of these financial assets due to the exemption available in respect of IFRS 9 till December 31, 2025 as stated in note 2.3.2 (b).

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable.

The Company assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss.

4.13 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the statement of financial position, finances under mark-up arrangements are included in current liabilities.

4.14 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued finance costs to the extent of the amount remaining unpaid.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

4.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

4.16 Provisions

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

4.17 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.

4.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reports issued to the chief operating decision-maker. The Chief Executive Officer has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments. Currently, the Company is functioning as a single operating segment.

4.19 Trade debts

Trade debts are amounts due from CPPA-G in the ordinary course of business. They are generally due for settlement as referred to in note 4.20 and therefore are all classified as current. Trade debts are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade debts with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

4.20 Revenue recognition

Revenue shall be recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset and thus has the ability to direct the use and obtain the benefits from the good or service.

Revenue from the sale of electricity to CPPA-G, the sole customer of the Company, is recorded on the following basis:

- Capacity Purchase Price revenue is recognized over time, based on the capacity made available to CPPA-G, at rates as specified under the PPA with CPPA-G, as amended from time to time; and
- Energy Purchase Price revenue is recognized at a 'point in time', as and when the Net Electrical Output (NEO) are delivered to CPPA-G.

Capacity and Energy revenue is recognized based on the rates determined under the mechanism laid down in the PPA.

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

Invoices are generally raised on a monthly basis and are due after 25 days from the date of submission by the Company to CPPA-G.

4.21 Finance income

Finance income comprises interest income on funds invested (financial assets), dividend income, gain on disposal of financial assets and changes in fair value of investments. Interest income is recognized as it accrues in profit or loss, using effective interest method. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

4.22 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the unconsolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The unconsolidated financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

4.23 Dividend and appropriation to reserves

Dividend and other appropriation to reserves are recognized in the unconsolidated financial statements in the period in which these are approved.

4.24 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.25 Share capital

Ordinary shares are classified as equity and recognized 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.

4.26 Rounding off amounts

All amounts presented in these unconsolidated financial statements and notes have been rounded off to the nearest thousand Rupees unless otherwise stated.

5 Issued, subscribed and paid up capital

2025	2024		2025	2024
(Number of shares)		Note	(Rupees in thousand)	
130,352,780	130,352,780	Ordinary shares of Rs 10/- each fully paid in cash	1,303,527,800	1,303,527,800
39,105,834	39,105,834	Ordinary shares of Rs 10/- each fully paid up as bonus shares 5.3	391,058,340	391,058,340
<u>169,458,614</u>	<u>169,458,614</u>		<u>1,694,586,140</u>	<u>1,694,586,140</u>

5.1 There has been no movement in the ordinary share capital of the Company.

5.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

5.3 The Company issued bonus shares to its existing shareholders at the rate of 30 shares of Rs. 10 each for every 100 shares held as on December 21, 2000.

			2025 (Rupees in thousand)	2024
	Note			
6	Employee benefits			
	Accumulated compensated absences	- note 6.1	11,907	10,838
6.1	Movement in accumulating compensated absences is as follows:			
	Opening balance		10,838	9,473
	Provision for the year		26,011	21,890
			36,849	31,363
	Less: Payments made during the year		(24,942)	(20,525)
	Closing balance		11,907	10,838
7	Short term finances - secured			
	Short term borrowings under mark-up and Shariah arrangements obtained as under:			
	Under mark up arrangements - secured	- note 7.1	449,302	836,119
	Under arrangements permissible under Shariah - secured	- note 7.2	601,200	1,640,018
			1,050,502	2,476,137
7.1	Markup Arrangements			
	Short term finances available from commercial banks under mark up arrangements amount to Rs. 3,000 million (2024: Rs. 4,000 million). The rates of mark up for finances under mark up arrangement ranged from 12.33% to 21.88% per annum (2024: 21.12% to 23.66% per annum). Various sub facilities comprising money market loans and letters of guarantee have also been utilized during the year. The security and other agreements, negotiable instruments and documents to be executed by the Company in favor of the bank shall be in the form and substance satisfactory to the bank. The Company shall execute or cause to be executed all such instruments, deeds or documents, which the bank may in its sole discretion require. Out of the aggregate running finances availed by the Company, Rs. 3,000 million are secured by joint pari passu charge on current assets.			
7.2	Arrangements permissible under shariah			
	Short term finances available from Islamic banks under Islamic arrangements amount to Rs. 2,150 million (2024: Rs. 3,150 million). The rates of mark up for finances under arrangements permissible under shariah ranged from 11.61% to 22.59% per annum (2024: 20.96% to 23.64% per annum) on the balances outstanding. Out of the aggregate running finances availed by the Company, Rs. 2,150 Million are secured by joint pari passu charge on current assets.			
7.3	Of the aggregate facility of Rs. 1,475 million (2024: Rs. 1,475 million) for opening letters of credit and Rs. 7 million (2024: Rs. 7 million) for guarantees, the amount utilized as at June 30, 2025 was Rs. 6.68 million (2024: Rs. 135.22 million) and Rs. 6.68 million (2024: Rs. 6.68 million) respectively.			

	Note	2025 (Rupees in thousand)	2024
8 Trade and other payables			
Trade creditors		17,366	289,655
Accrued liabilities		103,741	74,579
Withholding tax payable		4,645	7,975
Workers' Profit Participation Fund	- note 8.1	36,756	80,163
Workers' Welfare Fund	- note 8.2, 8.3 & 8.4	15,077	138,927
Security deposits payable	- note 8.5	198	198
Payable to employees' provident fund	- note 8.6	-	2,502
Sales tax payable		-	3,562
Subscription money payable	- note 14	-	1,000
Other payables		6,412	6,455
		<u>184,195</u>	<u>605,016</u>
8.1 Movement in Workers' Profit Participation Fund			
Opening balance		80,163	78,750
Provision for the year	- note 18.2	36,756	80,163
		<u>116,919</u>	<u>158,913</u>
Less: Payments made during the year		<u>(80,163)</u>	<u>(78,750)</u>
Closing balance		<u>36,756</u>	<u>80,163</u>
8.2 Movement in Workers' Welfare Fund			
Opening balance		138,927	106,861
Provision for the year	- note 18.3	14,702	32,066
		<u>153,629</u>	<u>138,927</u>
Less: Payments made during the year	- note 8.4	<u>(138,552)</u>	-
Closing balance		<u>15,077</u>	<u>138,927</u>
8.3	This represents provision recognized as per 'The Punjab Workers' Welfare Fund Act 2019'. Under the Act, the Company is liable to pay to Workers' Welfare Fund, a sum equal to two percent of its total income, which is higher of, profit before taxation or provision for taxation as per accounts or the declared income as per the return of income.		
8.4	Provisions pertaining to the year 2019 to 2024 were outstanding at the end of last year as it was uncertain whether this is required to be paid to the Federal Government or the Provincial Government. The matter was decided in the current year and the corresponding liability was duly paid to the Federal Government.		
8.5	This represents advances and security deposits which are repayable on demand or on the cancellation of agreement. These are utilized for the purpose of the business in accordance with the terms of section 217 of the Act.		
8.6	The investments by the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.		

2025 **2024**
(Rupees in thousand)

9 Accrued finance cost

Mark up on short term finances under mark up arrangements - secured	12,975	26,971
Profit on short term arrangements permissible under Shariah - secured	18,467	38,657
	<u>31,442</u>	<u>65,628</u>

10 Contingencies and commitments

10.1 Contingencies

- (i) A sales tax demand of Rs. 505.41 million was raised against the Company through order dated August 29, 2014 by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from August, 2009 to June, 2013. Such amount was disallowed on the grounds that the revenue derived by the Company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the Company. Against the aforesaid order, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) ('CIR(A)') who vide its order dated November 6, 2014, upheld the ACIR's order on the issue regarding apportionment of input sales tax with the caveat that tax demand pertaining to period of show cause notice beyond the limitation of five years cannot be sustained and reduced from the tax demand. Subsequently, the Company preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR'). Additionally, the Company had filed an application with the Lahore High Court seeking a stay in recovery of tax arrears, default surcharge and penalty.

The Lahore High Court, in its order dated December 31, 2014, stayed the recovery of the tax demand along with default surcharge and penalty till adjudication by the ATIR, subject to deposit of Rs. 10 million with the Tax Department which the Company duly submitted on January 7, 2015. The ATIR vide its order dated May 4, 2015, upheld the CIR(A)'s order on the issue regarding apportionment of input sales tax. Thereafter, the Company filed an appeal against the decision of ATIR in the Lahore High Court.

The Lahore High Court vide its judgment dated October 31, 2016 has decided the case in favor of the Company. Subsequently, the tax department being aggrieved, filed a leave for appeal before the Supreme Court of Pakistan. The petition came up for hearing before the Apex Court on March 4, 2021, and leave for appeal was granted to the department. The latest hearing of the case, scheduled for May 22, 2025, was adjourned by the Supreme Court. The management is of the view that there are meritorious grounds available to defend the foregoing demands in the Supreme Court of Pakistan. Consequently, no provision for such demand has been made in these unconsolidated financial statements.

- (ii) A sales tax demand of Rs. 184.13 million was raised against the Company through order dated August 27, 2019 by the Deputy Commissioner Inland Revenue ('DCIR') on account of inadmissible input tax related to 'capacity purchase price', sales tax default on account of suppression of sales related to tax periods from July 2015 to June 2016 and inadmissible input tax claimed by the Company. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) ('CIR(A)') on September 16, 2019. Out of Rs. 184.13 million, CIR(A) through order dated July 08, 2021 has deleted the demand of Rs. 152.95 million raised on account of inadmissible input tax related to 'capacity purchase price', whereas the remaining demand of Rs. 31.18 million raised related to sales tax default on account of suppression of sales for the tax periods from July, 2015 to June, 2016 and inadmissible input tax claimed by the Company have been remanded back to the DCIR. The management is of the view that there are meritorious grounds available to defend the foregoing demand.

Consequently no provision for such demand has been made in these unconsolidated financial statements.

- (iii) The Commissioner Inland Revenue raised a demand of Rs. 231.57 million through assessment order dated April 16, 2019, on account of inadmissible input tax claims and under-declaration of supplies made to CPPA relating to the period July 2014 to June 2017.

Initially, an appeal was filed before the Commissioner Inland Revenue (Appeals) (CIR(A)), which was dismissed on May 11, 2020, on jurisdictional grounds. Subsequently, on June 12, 2020, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which, through its order dated November 24, 2022, directed the CIR(A) to decide the appeal on merits. The CIR(A) decided the appeal on October 27, 2023, setting aside the original assessment for re-verification.

Alongside, a protective appeal filed before the ATIR on May 21, 2019 was decided on May 24, 2024, remanding the case back to the Inland Revenue Officer (IRO) without considering the earlier ATIR order dated November 24, 2022. This decision was challenged by the Company before the Hon'ble High Court, which was heard on September 24, 2024. The High Court set aside the ATIR's order dated May 24, 2024, and the protective appeal filed by the Company was withdrawn.

Following the High Court's decision, the IRO passed the re-assessment order dated June 27, 2025, upholding the original assessment and thereby maintaining the demand against the Company. Being aggrieved, the Company has filed an appeal before the CIR(A) on July 15, 2025, which is currently pending adjudication. The management is of the view that there are meritorious grounds available to defend the foregoing demand. Consequently no provision for such demand has been made in these unconsolidated financial statements.

- (iv) The Company has issued a guarantee in favor of Sui Northern Gas Pipelines Limited (SNGPL) on account of payment of dues against gas sales etc., amounting to Rs. 6.68 million (2024: Rs. 6.68 million).

10.2 Commitments

- (i) Letters of credit / bank contracts other than capital expenditure as at end of current year are Rs. 6.68 million (2024: 40.11 million).
- (ii) Letters of credit / bank contracts for capital expenditure as at end of current year are Nil (2024: Rs. 95.11 million).

		2025	2024
	Note	(Rupees in thousand)	
11	Property, plant and equipment		
Operating fixed assets	- note 11.1	2,203,075	2,235,446
Major spare parts and standby equipment	- note 11.2	328,652	147,202
		<u>2,531,727</u>	<u>2,382,648</u>

11.1 Property, plant and equipment

Net carrying value basis (NBV)

Year ended June 30, 2025

	Freehold land	Buildings on freehold land	Plant and machinery	Office appliances and equipment	Laboratory equipment (Rupees in thousand)	Electric appliances and equipment	Computers	Furniture and fixtures	Vehicles	Total
Opening balance	93,209	63,213	1,994,877	267	62	3,932	2,101	18	87,768	2,235,447
Additions (at cost)	-	-	165,092	70	-	5,398	340	-	25,017	195,917
Disposals (at NBV)	-	-	-	-	-	-	(408)	-	(22,162)	(22,570)
Depreciation charge	-	-	(186,513)	(102)	(55)	(1,219)	(1,210)	-	(16,620)	(205,719)
Closing balance	93,209	63,213	1,963,456	235	7	8,111	823	18	74,003	2,203,075

Gross carrying value basis

As at June 30, 2025

Cost	93,209	625,457	9,642,794	5,607	5,561	38,750	52,529	7,884	108,571	10,580,362
Accumulated depreciation	-	(562,244)	(7,679,338)	(5,372)	(5,554)	(30,639)	(51,706)	(7,866)	(34,568)	(8,377,287)
Net book value (NBV)	93,209	63,213	1,963,456	235	7	8,111	823	18	74,003	2,203,075

Depreciation rate per annum

-	3% - 9%	3% - 41%	10%	10%	10%	33%	10%	20%
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Net carrying value basis (NBV)

Year ended June 30, 2024

Opening balance	93,209	84,522	2,059,075	242	409	3,862	2,389	18	46,656	2,290,382
Additions (at cost)	-	-	351,862	127	-	1,219	1,176	-	58,317	412,701
Disposals (at NBV)	-	-	-	-	-	-	(39)	-	(4,782)	(4,821)
Depreciation charge	-	(21,309)	(426,060)	(102)	(347)	(1,149)	(1,425)	-	(12,423)	(462,816)
Closing balance	93,209	63,213	1,964,877	267	62	3,932	2,101	18	87,768	2,235,446

As at June 30, 2024

Cost	93,209	625,457	9,477,702	5,537	5,561	33,352	53,339	7,884	130,685	10,432,726
Accumulated depreciation	-	(562,244)	(7,492,825)	(5,270)	(5,499)	(29,420)	(51,238)	(7,866)	(42,917)	(8,197,280)
Net book value (NBV)	93,209	63,213	1,984,877	267	62	3,932	2,101	18	87,768	2,235,446

Depreciation rate per annum

-	4% - 9%	4.5% - 33%	10%	10%	10%	33%	10%	20%
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- 11.1.1** The cost of fully depreciated assets which are still in use as at June 30, 2025 is Rs. 1,034.61 million (2024: Rs. 982.43 million).
- 11.1.2** Immovable fixed assets of the Company are situated at Head Office, Post Office Raja Jang, near Tablighi Ijtima, Raiwind Bypass, Lahore, Pakistan. Freehold land represents 256 kanal of land situated at Post Office Raja Jang, near Tablighi Ijtima, Raiwind Bypass, Lahore out of which approximately 19 kanal represent covered area.
- 11.1.3** The depreciation charge for the year has been allocated as follows:

	Note	2025 (Rupees in thousand)	2024
Cost of sales	22	192,787	452,283
Administrative expenses	23	12,932	10,533
		<u>205,719</u>	<u>462,816</u>

- 11.2** This amount represents the mechanical store items including coupling flexible set and pieces of piston crown coated which are held for capitalization.

12 Intangible assets

	Computer software's	Others	Total
	(Rupees in thousand)		
Net carrying value basis			
Year ended June 30, 2025			
Opening net book value (NBV)	1,407	167	1,574
Amortisation charge	(430)	(52)	(482)
Closing net book value (NBV)	977	115	1,092
Gross carrying value basis			
As at June 30, 2025			
Cost	22,117	1,000	23,117
Accumulated amortisation	(21,140)	(885)	(22,025)
Net book value (NBV)	977	115	1,092
Amortisation rate per annum	6.09% - 8.57%	5.45%	
Net carrying value basis			
Year ended June 30, 2024			
Opening net book value (NBV)	1,857	223	2,080
Amortisation charge	(450)	(56)	(506)
Closing net book value (NBV)	1,407	167	1,574
Gross carrying value basis			
As at June 30, 2024			
Cost	22,117	1,000	23,117
Accumulated amortisation	(20,710)	(833)	(21,543)
Net book value (NBV)	1,407	167	1,574
Amortisation rate per annum	6.25% - 8.82%	5.56%	

		2025	2024
	Note	(Rupees in thousand)	
12.1	The amortisation charge for the year has been allocated as follows:		
Administrative expenses	- note 23	482	506

12.2 The cost of fully amortised assets which are still in use as at June 30, 2025 is Rs. 16.50 million (2024: Rs. 16.50 million).

		2025	2024
		(Rupees in thousand)	
13	Long term loans and deposits		
Loans to employees - considered good			
- Executives	- note 13.1	3,975	3,000
Less : Current maturity		(2,544)	(3,000)
		1,431	-
Security Deposits		144	144
		1,575	144

13.1 These represent interest free loans to executives and other employees for purchase of residential plot, construction of house, purchase of motor cars etc. and are repayable in monthly instalments over a year. Loans for purchase of residential plots and construction of house are secured against titled documents of asset. Loans for purchase of motor cars are secured by registration of motor cars in the name of the Company. Security deposits include the amount paid to Central Depository Company. These loans have not been carried at amortised cost as the effect of discounting is not considered material.

13.2 The maximum amount outstanding at the end of any month from executives aggregated Rs. 6.00 million (2024: Rs. 12.00 million).

		2025	2024
	Note	(Rupees in thousand)	
14	Investment in subsidiary		
Investment in KEL Power Solutions (Private) Limited	- note 14.1	1,000	1,000

14.1 A subsidiary company was incorporated in 2024 under the name of KEL Power Solutions (Private) Limited ("KPSL"). The principal line of business of the company shall be to carry on all or any of the business of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting, installing solar plants, related services, supply of solar panels, obtaining agencies, establishing distribution network and accessories etc. The Company has been incorporated under section 16 of the Companies Act, 2017 (XIX of 2017) on May 13, 2024. The address of the registered office of the Company is Near Tablighi Ijtima, Raiwind Bypass, Lahore.

			2025	2024
	Note		(Rupees in thousand)	
15	Stores, spares and loose tools			
		Stores	8,099	11,935
		Spares	463,421	419,735
		Loose tools	1,424	759
			472,944	432,429
		Provision for obsolete stores and spares	(28,642)	(28,642)
	- note 15.1		444,302	403,787
15.1	Provision for obsolete stores and spares			
		Opening balance	28,642	28,642
		Provision made during the year	-	-
		Closing balance	28,642	28,642
15.2	Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.			
			2025	2024
	Note		(Rupees in thousand)	
16	Stock in trade			
		Furnace oil	354,941	557,467
		Diesel	2,680	2,670
		Lubricating oil	8,432	9,278
			366,053	569,415
17	Trade debts - net			
		Trade receivables from CPPA-G - secured		
		- Considered good	1,208,562	2,853,377
		- Considered doubtful	-	-
	- note 17.1, 17.2 & 17.3		1,208,562	2,853,377
		Provision for doubtful debts	-	-
			1,208,562	2,853,377

- 17.1** This includes an overdue amount of Rs. 598.11 million (2024: Rs. 1,264.19 million) receivable from CPPA-G (formerly WAPDA). The trade debts are secured by a guarantee from the Government of Pakistan (GoP) under the Implementation Agreement. These are in the normal course of business and are interest free, however, a penal mark up at the rate of 3-month KIBOR plus 1% per annum (2024: base rate plus 2% per annum) is charged in case the amounts are not paid within due dates, the base rate being the State Bank of Pakistan's reverse repo rate. The penal mark up rate charged during the year was 12.13% to 20.52% (2024: 23.50% to 25.00%) per annum. These include unbilled receivables aggregating to Rs. 454.22 million (2024: Rs. 1,214.33 million).

Aging analysis of trade debts is given in note 34.1(b)(I).

- 17.2** During the year, an amount of Rs. 39.84 million with regards to interest on delayed payment has been written off as per the terms of the Amendment Agreement to the PPA signed between the Company and the CPPA-G on February 19, 2025. The same has been included in 'other expenses'.
- 17.3** An amount of Rs. 0.35 million with regards to long outstanding energy revenue amount has been written off during the year under dispute settlement. The same has been included in 'other expenses'.

2025 2024
(Rupees in thousand)

**18 Loans, advances, deposits, prepayments
 and other receivables**

Current portion of long term loans to employees	- note 13	2,544	3,000
Advances - considered good			
- To employees	- note 18.1	1,313	2,879
- To suppliers		387,978	322,316
Prepayments		834	1,624
Claims recoverable from CPPA-G for pass through items:			
- Workers' Profit Participation Fund	- note 18.2	36,756	80,163
- Workers' Welfare Fund	- note 18.3	15,077	138,927
- Private Power and Infrastructure Board (PPIB) fee	- note 18.5	85,673	-
Sales tax receivable		5,215	-
Margin against letter of guarantee		3,020	3,020
Other receivables - considered good		32	1,029
Incorporation expense receivable - KPSL	- note 18.6	-	43
		<u>538,442</u>	<u>553,001</u>

- 18.1** Included in advances to employees are amounts due from executives of Rs. 0.06 million (2024: Rs. 0.79 million).

		2025	2024
		(Rupees in thousand)	
18.2	Movement in Workers' Profit Participation Fund is as follows:		
	Opening balance	80,163	78,750
	Provision for the year - note 8.1	36,756	80,163
		116,919	158,913
	Receipts during the year	(80,163)	(78,750)
	Closing balance - note 18.4	36,756	80,163
18.3	Movement in Workers' Welfare Fund is as follows:		
	Opening balance	138,927	106,861
	Provision for the year - note 8.2	14,702	32,066
		153,629	138,927
	Receipts during the year	(138,552)	-
	Closing balance - note 18.4	15,077	138,927
18.4	Under section 14.2(a) of Part III of Schedule 6 to the Power Purchase Agreement (PPA) with CPPA-G, payments to Workers' Profit Participation Fund and Workers' Welfare Fund are recoverable from CPPA-G as pass through items. During the current year, the Company paid the Workers' Welfare Fund (WWF) provision for the years 2019 to 2024, as described in Note 8.4.		
18.5	The Company made adequate provision for Private Power and Infrastructure Board (PPIB) fees applicable on IPPs and respective non-payment surcharges at the prescribed rates in prior years. Subsequent to the year end, National Electric Power Regulatory Authority (NEPRA) in its meeting held on July 7, 2025, issued a decision declaring that the PPIB fee to be a pass-through item for Independent Power Producers (IPPs), recoverable from the Central Power Purchasing Agency (CPPA).		
	This decision has been treated as an adjusting event in these unconsolidated financial statements and the provision previously recorded for the PPIB fee has been reversed and the corresponding amount has been recognized as a receivable from the CPPA in the current year.		
18.6	This represents receivable from related party, KEL Power Solutions (Private) Limited, on account of incorporation expenses paid by the Company on its behalf.		

		2025		2024	
		Cost	Carrying Value	Cost	Carrying Value
		(Rupees in thousand)			
19	Short term investments				
	Fair value through profit or loss				
	NBP Islamic Daily Dividend Fund	216,294	216,294	14	14

2025 2024
(Rupees in thousand)

19.1 Movement in investments

Opening fair value as at 1 July	14	-
Investments during the year	1,750,000	2,210,010
Redemptions during the year	(1,559,114)	(2,214,325)
Dividend reinvestment - net of tax	25,394	4,329
Closing Fair Value as at June 30	<u>216,294</u>	<u>14</u>

	2025		2024	
	Number of Units	Fair value	Number of Units	Fair value
Investments				
NBP Islamic Daily Dividend Fund	<u>21,629,394</u>	<u>216,293,938</u>	<u>1,382</u>	<u>13,826</u>

2025 2024
Note (Rupees in thousand)

20 Cash and bank balances

Cash at banks			
Current accounts		766	4,372
Saving accounts and term deposits			
- Under interest / mark up arrangements	- note 20.1	50,219	338,500
- Retention account - Onshore		24,461	21,377
- Term Deposit Receipts		-	600,000
- Under arrangements permissible under Shariah	- note 20.1	205	244
		<u>74,885</u>	<u>960,121</u>
		75,651	964,493
Cash in hand		912	2,299
		<u>76,563</u>	<u>966,792</u>

- 20.1** The balance in savings bank accounts bear mark up at rates ranging from 5.01% to 19.00% per annum (2024: 20.10% to 20.50% per annum) and balance in accounts under arrangements permissible under Shariah bear profit at the rates ranging from 2.78% to 20.50% per annum (2024: 4.29% to 20.50%).

		2025	2024
		(Rupees in thousand)	
21	Revenue		
	Energy Purchase Price	2,778,826	8,517,998
	Less: Sales tax	(423,889)	(1,299,356)
		<u>2,354,937</u>	<u>7,218,642</u>
	Capacity Purchase Price	1,787,670	2,446,893
	Delayed payment mark-up	186,204	344,358
		<u>4,328,811</u>	<u>10,009,893</u>

21.1 This represents revenue from contract with sole customer of the Company i.e. CPPA-G.

21.2 The Company entered into an Amendment Agreement with the Power Purchaser on February 19, 2025, to amend the existing PPA and IA by agreeing to a Hybrid Take and Pay Model (hereby known as "Amendment Agreement"). As per terms of the Amendment Agreement, effective from November 1, 2024, the current indexation mechanism was amended to incorporate certain discounts and adjustments. Accordingly, the Company agreed to relinquish its claim to late payment surcharge as on October 31, 2024. Accordingly, the amount of delayed payment mark up includes a reversal of Rs.156 million.

		2025	2024
	Note	(Rupees in thousand)	
22	Cost of sales		
	Raw material consumed	2,140,696	6,445,681
	Salaries, wages and benefits - note 22.1	265,107	266,737
	Stores and spares consumed	84,813	230,863
	Depreciation on operating fixed assets - note 11.1.3	192,787	452,283
	Fee and subscription	6,835	5,022
	Insurance	139,876	138,567
	Travelling, conveyance and entertainment	27,725	39,505
	Repairs and maintenance	7,139	14,693
	Legal and professional charges	626	407
	Communication charges	2,376	2,176
	Electricity consumed in-house	67,009	67,524
	Environmental expenses	451	583
	Liquidated damages	15,818	83
	Contracted services	27,180	43,049
	Miscellaneous	4,727	4,814
		<u>2,983,165</u>	<u>7,711,987</u>

- 22.1** Salaries, wages and other benefits include Rs. 9.22 million (2024: Rs. 10.95 million) in respect of provision for accumulated compensated absences and Rs. 10.90 million (2024: Rs. 10.53 million) in respect of provision for defined contribution provident fund.

2025 2024
(Rupees in thousand)

23 Administrative expenses

Salaries, wages and benefits	- note 23.1	192,576	212,634
Communication charges		2,313	3,313
Depreciation on operating fixed assets	- note 11.1.3	12,932	10,533
Amortisation on intangible assets	- note 12.1	482	506
Insurance		3,700	3,318
Travelling, conveyance and entertainment		40,326	61,256
Repairs and maintenance		2,597	3,081
Legal and professional charges	- note 23.2	15,900	7,522
Community welfare expenses		8,420	11,299
Rents, rates and taxes		4,873	302
Fee and subscription		(62,474)	19,857
Security expenses		8,963	9,702
Environmental expenses		14,380	15,580
Contracted services		14,995	14,853
Donation	- note 23.4	2,300	1,500
Miscellaneous		5,831	10,514
		<u>268,114</u>	<u>385,770</u>

- 23.1** Salaries, wages and other benefits include Rs. 18.06 million (2024: Rs. 10.94 million) in respect of provision for accumulated compensated absences and Rs. 3.79 million (2024: Rs. 4.45 million) in respect of provision for defined contribution provident fund.

2025 2024
(Rupees in thousand)

23.2 Legal and professional charges include the following:

In respect of auditors' services for:

- Statutory audit of unconsolidated financial statements	2,675	2,326
- Statutory audit of consolidated financial statements	250	-
- Advice regarding certain taxation matters	-	1,575
- Half yearly review and certifications	1,131	843
- Out of pocket expenses	535	302
	<u>4,591</u>	<u>5,046</u>

2025 2024
(Rupees in thousand)

23.3 Employees of the Company

Total number of employees as at June 30	101	139
Average number of employees	114	138

23.4 During the year ended June 30, 2025, an amount of Rs. 2.30 million (2024: 1.50 million) was donated to Khursheed Begum Eye Hospital. None of the directors and their spouses had any interest in any of the donees during the year.

2025 2024
(Rupees in thousand)

24 Other expenses

Loss on sale of fixed assets	- note 24.1	890	882
Bad debt written off	- note 24.2	40,185	-
		<u>41,075</u>	<u>882</u>

24.1 This represented the loss arising on the disposal of Vehicles and Computers which are a part of Company's Property, Plant and Equipment.

24.2 This represents the Late Payment receivable amounting to Rs. 39.84 million written off as per the terms of the Amendment Agreement to the PPA signed between the Company and the CPPA-G on February 19, 2025. This also includes an amount of Rs. 0.35 million relating to long outstanding energy revenue amount written off under dispute settlement.

2025 2024
(Rupees in thousand)

25 Other income

Income on bank deposits	- note 25.1	7,932	6,911
Income from mutual fund	- note 25.2	33,859	5,093
		<u>41,791</u>	<u>12,004</u>

25.1 Income on bank deposits

Income on bank deposits under mark up arrangements	6,217	5,125
Income on bank deposits under arrangements permissible under Shariah	1,715	1,786
	<u>7,932</u>	<u>6,911</u>

2025 2024
(Rupees in thousand)

25.2 Income from mutual fund

Dividend Income	33,859	5,093
	<u>33,859</u>	<u>5,093</u>

26 Finance costs

Mark up on short term finances - secured	341,637	318,036
Bank guarantee and commission	80	83
Others	1,415	1,873
	<u>343,132</u>	<u>319,992</u>

27 Levy

Levy - final tax	- note 27.1	8,465	764
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27.1 This represents final taxes paid under sections 5 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

2025 2024
(Rupees in thousand)

28 Taxation

Taxation	- note 28.1	2,300	2,004
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28.1 Current taxation

- For the year	2,300	2,004
- Prior year	-	-
	<u>2,300</u>	<u>2,004</u>

28.2 Tax charge reconciliation

Profit before taxation	726,651	1,602,502
Tax at applicable rate of 29% (2024: 29%)	210,729	464,726
Tax effect of exempt income referred in note 4.1	(208,429)	(462,722)
Tax charge	<u>2,300</u>	<u>2,004</u>

28.3 This represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

			2025	2024
			(Rupees in thousand)	
29	Cash generated from operations			
	Profit before taxation		726,651	1,602,502
	Adjustment for non-cash charges and other items:			
	- Depreciation on property, plant and equipment		205,719	462,816
	- Amortisation on intangible assets		482	506
	- Loss / (Gain) on disposal of property, plant and equipment		890	882
	- Income on bank deposits		(7,932)	(6,911)
	- Dividend Income		(33,859)	(5,093)
	- Charge for employee retirement and other benefits		26,011	21,890
	- Finance costs on borrowings		343,132	319,992
	Profit before working capital changes		1,261,094	2,396,584
	Decrease / (increase) in current assets			
	- Stock in trade		203,362	414,715
	- Stores, spares and loose tools		(40,515)	(64,142)
	- Trade debts		1,644,815	(532,998)
	- Loans, advances, deposits, prepayments and other receivables		14,559	350,425
			1,822,221	168,000
	(Decrease) / Increase in current liabilities			
	- Trade and other payables		(419,821)	54,185
			1,402,400	222,185
			<u>2,663,494</u>	<u>2,618,769</u>
30	Cash and cash equivalents			
	Cash and bank balances	- note 20	76,563	966,792
	Short term finances - secured	- note 7	(1,050,502)	(2,476,137)
			<u>(973,939)</u>	<u>(1,509,345)</u>

31 Remuneration of Chief Executive, Directors and Executives

31.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the chief executive, directors and executives of the Company is as follows:

		Chief Executive		Non-Executive Director		Executives	
		2025	2024	2025 (Rupees in thousand)	2024	2025	2024
Short term employee benefits							
Meeting fee	Note 31.3	-	-	-	30	-	-
Managerial remuneration		16,237	13,997	28,009	24,146	95,059	87,959
Housing		7,307	6,299	12,604	10,866	42,776	39,581
Utilities		1,624	1,400	2,801	2,415	9,506	8,796
Medical allowance and reimbursement		-	-	-	-	2,396	1,776
Bonus		4,719	6,931	-	-	28,368	37,804
Club expenses		253	223	-	-	759	686
Leave encashment		2,097	1,808	-	-	12,144	8,838
Others		3,689	3,181	-	-	6,482	5,410
		35,926	33,839	43,414	37,457	197,490	190,850
Post employment benefits							
Contribution to provident fund		-	-	-	-	8,187	7,640
		35,926	33,839	43,414	37,457	205,677	198,490
Number of persons							
		1	1	1	2	38	34

31.2 Certain executives are provided with Company maintained vehicles.

31.3 Fees represent the amounts paid to non executive directors for attending meetings of the Board and its sub-committees.

32 Transactions with related parties

The related parties comprise associated undertakings, other related companies, key management personnel and post retirement benefit plan. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables, if any, and remuneration of key management personnel is disclosed in note 31. Other significant transactions with related parties are as follows:

		2025	2024
		(Rupees in thousand)	
Relation with undertaking	Nature of transaction		
Associated companies	Purchase of services	227	232
	Purchase of goods	-	349
Associated persons	Dividend paid	692,124	1,433,492
Key management personnel	Dividend paid	44,373	91,915
Subsidiary	Incorporation expense receivable - KPSL	-	43
Subsidiary	Subscription money payable	-	1,000

		2025	2024
		(Rupees in thousand)	
Subsidiary	Subscription money paid	1,000	-
Kohinoor Energy Limited Employees Provident Fund	Contributions paid on behalf of employee and employer	29,376	29,956

- 32.1** The names of related parties with whom the Company has entered into transactions or had agreements / arrangements in place during the year and whose names have not been disclosed elsewhere in these unconsolidated financial statements are as follows:

Name of the related party	Basis of relationship	Percentage of shareholding
Red Communication Arts (Private) Limited	Common directorship	-
Pak Elektron Limited	Common directorship	-
KEL Power Solutions (Private) Limited	Wholly owned subsidiary	99.996%

All transactions with related parties are carried out on mutually agreed terms and conditions.

- 32.2** There was no related party incorporated outside the Pakistan with whom the Company had entered into transactions.

	2025	2024
	MWh	MWh
33 Capacity and production		
Installed capacity - based on 8,760 hours (2024 : 8784 hours)	1,086,240	1,089,216
Actual energy delivered	76,156	207,615
Efficiency	7.01%	19.06%

Under utilization of available capacity is due to less demand by CPPA-G.

34 Financial risk management

34.1 Financial risk factors

The Company is exposed to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors ('BOD'). The Company's finance department evaluates and hedges financial risks based on principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the BOD. All treasury related transactions are carried out within the parameters of these policies.

The Company's overall risk management procedures to minimize the potential adverse effects of financial market on the Company's performance are as follows:

a) Market risk

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk since there are no asset or liability denominated in foreign currency at the reporting date.

ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no investments in equity instruments traded in the market at the reporting date. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

iii) Interest rate risk

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

The Company has no significant long-term interest-bearing assets and liabilities. The Company's interest rate risk arises from trade debts and short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Similarly, trade debts on which the rate of interest on delayed payments is linked with State Bank of Pakistan reverse repo rate exposes the Company to cashflow interest rate risk.

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

		2025	2024
		(Rupees in thousand)	
Floating rate instruments			
Financial assets			
Bank balances - savings accounts	- note 20.1	74,885	960,121
Trade debts - overdue		598,112	1,264,197
Short term investments		216,294	14
Financial liabilities			
Short term finances - secured	- note 7	(1,050,502)	(2,476,137)
Net exposure		(161,211)	(251,805)

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the statement of financial position date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on finances under mark up arrangements, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit before tax would have been Rs. 10.51 million (2024: Rs. 24.76 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate finances.

If interest rates on bank balances - savings accounts, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit before tax would have been Rs. 0.75 million (2024: Rs. 9.60 million) higher / lower, mainly as a result of higher / lower interest rate expense on floating rate.

If interest rates on delayed payments on trade debts, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit before tax would have been Rs. 5.98 million (2024: Rs. 12.64 million) higher / lower, mainly as a result of higher / lower interest rate expense on floating rate.

If interest rates on short term investments, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit before tax would have been Rs. 2.16 million (2024: Rs. 0.00014 million) higher / lower, mainly as a result of higher / lower interest rate expense on floating rate.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from deposits with banks, trade and other receivables.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilization of these credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

i) Exposure to credit risk

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

	2025	2024
	(Rupees in thousand)	
Long term loans and deposits	1,575	144
Trade debts	1,208,562	2,853,377
Loans, advances, deposits, prepayments and other receivables	143,102	226,182
Bank balances - savings accounts	75,651	219,679
Short term investments	216,294	14
	<u>1,645,184</u>	<u>3,299,396</u>

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk and the risk attributable to trade debts and Workers' Welfare Fund, Worker's Profit Participation Fund and PPIB fee receivable from Power Purchaser is mitigated by guarantee from the Government of Pakistan under the Implementation Agreement. Age analysis of trade receivable balances is as follows:

As of June 30, age analysis of trade debts was as follows:

	2025 (Rupees in thousand)	2024
- Neither past due nor impaired	610,450	1,589,180
- Past due 0 - 180 days	598,112	1,263,852
- Past due 181 - 365 days	-	-
- 1 - 2 years	-	-
- More than 2 years	-	345
	598,112	1,264,197
	<u>1,208,562</u>	<u>2,853,377</u>

ii) Credit quality of major financial assets

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Short Term	Long Term	Rating Agency	2025 (Rupees in thousand)	2024
Trade debts					
CPPA-G	-----	Not available	-----	1,208,562	2,853,377
Other receivables					
CPPA-G	-----	Not available	-----	137,506	219,090
Cash at bank					
Bank Alfalah Limited	A1+	AAA	PACRA	-	-
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	-	2
Askari Bank Limited	A1+	AA+	PACRA	75,040	361,980
Habib Bank Limited	A1+	AAA	VIS	9	8
Al Baraka Bank (Pakistan) Limited	A1	AA-	VIS	114	91
United Bank Limited	A1+	AAA	VIS	1	1
National Bank of Pakistan	A1+	AAA	PACRA	77	37
Faysal Bank Limited	A1+	AA	PACRA	235	601,942
Bank Islami Pakistan Limited	A1	AA-	PACRA	3	3
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	121	377
MCB Bank Limited	A1+	AAA	PACRA	-	1
Meezan Bank Limited	A1+	AAA	VIS	51	51
				<u>1,421,719</u>	<u>4,036,960</u>

After giving due consideration to the strong financial standing of the banks and Government guarantee in case of CPPA-G, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Company's businesses, the Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Management monitors the forecasts of the Company's cash and cash equivalents (note 30) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. The Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring reporting date liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

	Contractual Cashflows				Carrying amount
	Less than one year	One to five years	More than five years	Total contractual cashflows	
	(Rupees in thousand)				
Short term finances - secured	1,050,502	-	-	1,050,502	1,050,502
Trade and other payables	184,195	-	-	184,195	183,395
Accrued finance cost	31,442	-	-	31,442	35,205
Unclaimed dividend	18,586	-	-	18,586	18,586
	1,284,725	-	-	1,284,725	1,287,688

The following are the contractual maturities of financial liabilities as at June 30, 2024.

	Contractual Cashflows				Carrying Amount
	Less than one year	One to five years	More than five years	Total contractual cashflows	
	(Rupees in thousand)				
Short term finances - secured	2,476,137	-	-	2,476,137	2,476,137
Trade and other payables	605,016	-	-	605,016	605,016
Accrued finance cost	65,628	-	-	65,628	65,628
Unclaimed dividend	17,830	-	-	17,830	17,830
	3,164,611	-	-	3,164,611	3,164,611

34.2 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 unconsolidated 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 June 30, 2025:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets:				
Short term investments	216,294	-	-	216,294

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:				
Short term investments	14	-	-	14

34.3 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the unconsolidated financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

34.4 Financial instruments by categories

	Amortised cost	
	2025	2024
	(Rupees in thousand)	
Financial assets as per statement of financial position		
Long term loans and deposits	1,575	144
Trade debts	1,208,562	2,853,377
Loans, advances, deposits, prepayments and other receivables	143,102	226,182
Bank balances - savings accounts	75,651	219,679
Short term investments	216,294	14
	<u>1,645,184</u>	<u>3,299,396</u>
Financial liabilities as per statement of financial position		
Short term finances - secured	1,050,502	2,476,137
Trade and other payables	184,195	605,016
Accrued finance cost	31,442	65,628
Unclaimed dividend	18,586	17,830
	<u>1,284,725</u>	<u>3,164,611</u>

34.5 Financial assets and financial liabilities subject to offsetting

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

34.6 Capital risk management

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

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in unconsolidated statement of financial position). Net debt is calculated as non-current borrowings in these unconsolidated financial statements less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the unconsolidated statement of financial position.

The gearing ratio has not been presented as the Company has no non - current borrowings.

35 Reconciliation of liabilities arising from financing activities

	July 1, 2024	Accruals / Dividend Declared	Payments	June 30, 2025
Unclaimed dividend	<u>17,830</u>	<u>1,186,210</u>	<u>(1,185,454)</u>	<u>18,586</u>

	July 1, 2023	Accruals / Dividend Declared	Payments	June 30, 2024
Unclaimed dividend	31,526	2,457,149	(2,470,845)	17,830

36 Disclosure relating to Provident Fund

The investments by the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

37 Earnings per share

37.1 Basic earnings per share

		2025	2024
Net profit for the year	Rupees in thousand	724,351	1,600,498
Weighted average number of ordinary shares	Number in thousand	169,459	169,459
Earnings per share	Rupees	4.27	9.44

37.2 Diluted earnings per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2025 and June 30, 2024 which would have any effect on the earnings per share if the option to convert is exercised.

38 Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purposes of better presentation. During the year, no major rearrangements or reclassifications were made.

Reclassification from component	Note	Reclassification to component	2024 (Rupees in thousand)
Cost of Sales - Miscellaneous	22	Cost of Sales - Legal and professional charges	407
Administrative expenses - Miscellaneous	23	Administrative expenses - Donation	1,500
Cash and bank balances - Under interest / mark up arrangements	20	Cash and bank balances - Under arrangements permissible under Shariah	145
Long term loans, deposits and investments - Long term investments	13	Investment in subsidiary	1,000

39

Disclosure requirement for companies not engaged in Shariah non-permissible business activities

Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

Description	Explanation	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
Unconsolidated Statement of Financial Position - Liability Side				
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	Short term financing obtained from Islamic Institutions	7	601,200	1,640,018
Interest or mark-up accrued on any conventional loan or advance	Accrued finance cost on conventional loans	9	12,975	26,971
Unconsolidated Statement of Financial Position - Asset Side				
Long-term and short-term Shariah compliant Investments	Investment in NBP Islamic Daily Dividend Fund	19	216,294	14
Shariah-compliant bank deposits, bank balances, and TDRs	Investment made under shariah permissible arrangement TDR	20	282	600,268
Unconsolidated Statement of Profit or Loss and Other Comprehensive Income				
Revenue earned from a Shariah-compliant business segment during the year	Revenue earned from EPP and CPP as per contract with customer	21	4,142,607	9,665,535
Break-up of late payments or liquidated damages	Delay payment surcharge on payments over credit term	21	186,204	344,358
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates during the year	Dividend Income earned on investment in Mutual Fund	25	33,859	5,093
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs during the year	Interest income earned on investment made under shariah permissible arrangement TDR	25.1	1,715	1,786
Profit paid on Islamic mode of financing during the year	Finance cost paid on short term financing obtained from Islamic Institutions	26	180,278	191,224
Total Interest earned on any conventional loan or advance	Income on bank deposits under mark-up arrangements	25.1	6,217	5,125
Sale of scrap	Earned from Shariah compliant transactions	22	5,447	27,760

39.1 Relationship with Shariah Compliant Institutions:

The Company has an Islamic relationship with the following institutions:

- i) Faysal Bank Limited;
- ii) Al Baraka Bank Pakistan Limited;
- iii) Dubai Islamic Bank Pakistan Limited; and
- iv) Habib Bank Limited

Furthermore, the Company does not engage any Takaful operator for coverage; all relevant policies are secured through conventional insurance.

40 Date of authorization for issue

These unconsolidated financial statements were authorized for issue on _____ by the Board of Directors of the Company.

41 Events after the reporting date

There are no other significant events that have occurred subsequent to the reporting date, other than those mentioned elsewhere in these unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Consolidated Financial Statements as at June 30, 2025

INDEPENDENT AUDITORS' REPORT

To the Members Of Kohinoor Energy Limited

Opinion

We have audited the annexed consolidated financial statements of Kohinoor Energy Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Amendment Agreement</p> <p>(Refer note 1.2 to the annexed consolidated financial statements)</p> <p>The Power Purchase Agreement (PPA) of the Group was initially for a term of 30 years and was due to expire on June 19, 2027.</p> <p>During the year, the Group signed an Amendment Agreement to amend the PPA and Implementation Agreement (IA) with the Power Purchaser, effective from November 1, 2024, in which the current indexation mechanism was amended to incorporate certain discounts and adjustments.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> - Obtained the Amendment Agreement and checked approvals of the representatives of relevant stakeholders (the Group, Power Purchaser and Government of Pakistan); - Inspected the minutes of the meeting of Board of Directors relating to the discussion and approval of the amendment; - Recalculated the amount of revenue to ensure that discounts and indexation adjustments have been duly incorporated as per the Amendment Agreement;

S. No.	Key audit matter	How the matter was addressed in our audit
	<p>As per the Amendment Agreement, it has been agreed to implement a 'Hybrid Take-and-Pay Model'. Further, it was mutually agreed between the parties to write-off any claims of Delay Payments up until October 31, 2024 and the Group was entitled to receive Rs. 2,710 million within ninety (90) days of the effective date, as full and final settlement of past payables.</p> <p>Additionally, in order to resolve the issue of disputed LDs imposed by the Power Purchaser, the PPA term was extended by one hundred and sixty-one days till November 27, 2027, without any claim for Capacity Payment during this extended period.</p> <p>Signing of the above-mentioned Amendment Agreement and its impact on the consolidated financial statements is a significant event during the year and therefore, we considered this as a key audit matter.</p>	<ul style="list-style-type: none"> - Traced the amount of receipts as per the amended agreement to the Group's bank statements; - Recalculated the amount of interest on delayed payments written off; - Reviewed the impairment testing conducted by the Management on the Property, Plant and Equipment; and - Assessed the appropriateness of the accounting treatment and related disclosures in the consolidated financial statements as per applicable accounting and financial reporting framework.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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



A. F. Ferguson & Co
Chartered Accountants

Lahore

Date: : October 3, 2025

UDIN: AR202510884O3YaBbhMG

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 170,000,000 (June 30, 2024: 170,000,000) ordinary shares of Rs. 10 each		1,700,000	1,700,000
Issued, subscribed and paid up capital 169,458,614 (June 30, 2024: 169,458,614) ordinary shares of Rs. 10 each	5	1,694,586	1,694,586
Un-appropriated profit		2,369,505	2,831,855
		4,064,091	4,526,441
NON-CURRENT LIABILITIES			
		-	-
CURRENT LIABILITIES			
Employee benefits	6	11,907	10,838
Short term finances - secured	7	1,050,502	2,476,137
Trade and other payables	8	184,164	605,016
Accrued finance cost	9	31,442	65,628
Unclaimed dividend		18,586	17,830
Provision for taxation - net		24,355	29,862
		1,320,956	3,205,311
CONTINGENCIES AND COMMITMENTS			
	10		
		5,385,047	7,731,752

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



Chief Financial Officer



Chief Executive Officer

AS AT JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,531,727	2,382,648
Intangible assets	12	1,092	1,574
Long term loans and deposits	13	1,575	1,144
		<u>2,534,394</u>	<u>2,385,366</u>
CURRENT ASSETS			
Stores, spares and loose tools	14	444,302	403,787
Stock in trade	15	366,053	569,415
Trade debts - net	16	1,208,562	2,853,377
Loans, advances, deposits, prepayments and other receivables	17	538,408	553,001
Short term investments	18	216,294	14
Cash and bank balances	19	77,034	966,792
		<u>2,850,653</u>	<u>5,346,386</u>
		<u><u>5,385,047</u></u>	<u><u>7,731,752</u></u>



Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
Revenue from contract with customer	20	4,328,811	10,009,893
Cost of sales	21	(2,983,165)	(7,711,987)
Gross profit		1,345,646	2,297,906
Administrative expenses	22	(268,871)	(385,770)
Other expenses	23	(41,075)	(882)
Other income	24	42,058	12,004
Operating profit		1,077,758	1,923,258
Finance costs	25	(343,133)	(319,992)
Profit before levy and taxation		734,625	1,603,266
Levy	26	(8,465)	(764)
Profit before taxation		726,160	1,602,502
Taxation	27	(2,300)	(2,004)
Profit for the year		723,860	1,600,498
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		723,860	1,600,498
Earnings per share - basic and diluted - (In Rupees)	36	4.27	9.44

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



Chief Financial Officer



Chief Executive Officer



Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Share Capital	Un-appropriated Profit	Total
	(Rupees in thousand)		
Balance as at July 1, 2023	1,694,586	3,688,506	5,383,092
Transactions with owners in their capacity as owners:			
Interim dividends for the year ended June 30, 2024			
First interim dividend at the rate of Rs. 4.00 per share	-	(677,834)	(677,834)
Second interim dividend at the rate of Rs. 5.50 per share	-	(932,022)	(932,022)
Third interim dividend at the rate of Rs. 5.00 per share	-	(847,293)	(847,293)
	-	(2,457,149)	(2,457,149)
Profit for the year	-	1,600,498	1,600,498
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,600,498	1,600,498
Balance as at June 30, 2024	1,694,586	2,831,855	4,526,441
Transactions with owners in their capacity as owners:			
Interim dividend for the year ended June 30, 2025			
at the rate of Rs. 7.00 per share	-	(1,186,210)	(1,186,210)
	-	(1,186,210)	(1,186,210)
Profit for the year	-	723,860	723,860
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	723,860	723,860
Balance as at June 30, 2025	1,694,586	2,369,505	4,064,091

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



Chief Financial Officer



Chief Executive Officer



Director

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	28	2,661,740	2,618,769
Employee benefits paid	6	(24,942)	(20,525)
Finance costs paid		(377,319)	(367,132)
Income tax paid		(7,807)	(20,540)
Net cash generated from operating activities		2,251,672	2,210,572
Cash flows from investing activities			
Payment for acquisition of property, plant and equipment		(377,368)	(486,537)
Proceeds from disposal of property, plant and equipment		21,680	3,939
Profit on bank deposits received		8,199	6,911
Dividend income received		33,859	5,093
Purchase of short term investments		(1,775,394)	(2,214,339)
Proceeds from disposal of short term investments		1,559,114	2,214,325
Increase in long term loans and deposits		(431)	(1,000)
Net cash used in investing activities		(530,341)	(471,608)
Cash flows from financing activities			
Dividend paid		(1,185,454)	(2,470,845)
Net cash used in financing activities		(1,185,454)	(2,470,845)
Net increase / (decrease) in cash and cash equivalents		535,877	(731,881)
Cash and cash equivalents at the beginning of the year		(1,509,345)	(777,464)
Cash and cash equivalents at the end of the year	29	(973,468)	(1,509,345)

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



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1 Legal status and nature of business

1.1 Holding company:

Kohinoor Energy Limited (KEL)

Kohinoor Energy Limited (the 'Holding Company') was incorporated in Pakistan on April 26, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance) repealed with the enactment of the Companies Act, 2017 on May 30, 2017. The Company is listed on the Pakistan Stock Exchange. The principal activities of the Company are to own, operate and maintain a power plant of 124 MW capacity in Lahore and to sell the electricity produced therefrom to a sole customer, the Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA), for a term of 30 years which commenced from June 19, 1997. Subsequently, WAPDA has irrevocably transferred all of its rights, obligations and liabilities under the PPA to Central Power Purchasing Agency Guarantee Limited (CPPA-G) (Power Purchaser) thereunder via Novation Agreement and Amendment Agreement to the Implementation Agreement which became effective on February 11, 2021 after approval from the relevant authorities. The Power Purchase Agreement (PPA) has been extended for a period of one hundred and sixty one (161) days from June 20, 2027 to November 27, 2027, based on the Amendment Agreement signed on February 19, 2025 between the CPPA-G and the Company.

The address of the registered office of the Company is 301, 3rd Floor, Green Trust Tower, Blue Area, Islamabad and the Company's power plant has been set up at Post Office Raja Jang, Near Tablighi Ijtima, Raiwind Bypass, Lahore.

Subsidiary company:

a) KEL Power Solutions (Private) Limited (KPSL)

KEL Power Solutions (Private) Limited ("KPSL") has been established under section 16 of the Companies Act, 2017 as a wholly-owned subsidiary on May 13, 2024. The principal line of business of KPSL shall be to carry on all or any of the businesses of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting, installing solar plants, related services, supply of solar panels, obtaining agencies, establishing distribution network & accessories etc. The address of the registered office of KPSL is near Tablighi Ijtima, Raiwind Bypass, Lahore.

1.2 Amendment Agreement

During the year, the Holding Company entered into negotiations with the National Task Force on Implementation of Structural Reforms (Power Sector) to amend the Power Purchase Agreement (PPA). On February 19, 2025, the Amendment Agreement was signed between the CPPA-G and the Holding Company whereby both parties agreed to implement a 'Hybrid Take-and-Pay Model'. The Amendment Agreement has been effective from November 01, 2024.

As part of the Amendment Agreement, the Variable Operations and Maintenance ("O&M") component of the Energy Purchase Price ("EPP") shall be indexed as per the existing PPA, except for the future variation in PKR/USD, which shall be allowed only to the extent of 70% of the actual variation in PKR/USD.

The current indexed tariff of the 50% Escalable Component of Capacity Purchase Price ("CPP") has been discounted by 30% and shall be indexed semi-annually at the rate of 2.47% or the National Consumer Price Index ("NCPI"), whichever is lower. The Holding Company will be entitled to only 35% of the remaining 50% of the Escalable Component (Fixed) of CPP, whereas the remaining 65% will be paid only if the Net Electrical Output (NEO) exceeds 35% of the Dependable Capacity in terms of kWh.

As per the Amendment Agreement, it was mutually agreed to waive off any claims of Delay Payments up until October 31, 2024. Furthermore, the revised rate for future delayed payment under the amendment shall be 3-month KIBOR + 1% (prevailing on the due date on invoice).

Pursuant to the terms of these Agreements, the Holding Company was entitled to receive Rs. 2,710 million within ninety (90) days of the Effective Date, as full and final settlement of past payables, which has been fully received in accordance with the agreement.

As per the Amendment Agreement, in order to resolve the issue of disputed liquidated damages (LDs) imposed by the Power Purchaser, the PPA term shall be extended by one hundred and sixty-one (161) days, without any claim for Capacity Payment during this extended period.

- 1.3** The amended PPA of the Holding Company is due to expire on November 27, 2027. Management believes that KEL's operations will remain sustainable beyond the expiry of the current PPA. This assessment is supported by the anticipated growth in national electricity demand, driven by certain factors such as expected shift of the textile sector from captive generation to the national grid following changes in tariff regime, the anticipated growth in industrial activity following reduction in electricity tariffs and interest rates in the recent past, and the plant's strategic location near key consumption hubs. In addition, the Holding Company is actively exploring opportunities under the upcoming Competitive Trading Bilateral Contracts Market (CTBCM) and potential direct supply arrangements with industrial bulk consumers. These initiatives are expected to support continued operations and diversify revenue streams going forward. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2 Basis of preparation

2.1 Statement of compliance

These consolidated 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:

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

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

As disclosed in Note 2.2.2, the Securities and Exchange Commission of Pakistan (SECP) has granted general exemption from the application of IFRS 16 and IFRS 9 on certain matters, which have been applied in the preparation of these consolidated financial statements

2.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Group's consolidated financial statements covering annual periods, beginning on or after the following dates as detailed below:

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

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2024 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated financial statements.

2.2.2 Exemption from applicability of certain standards

- a) Securities and Exchange Commission of Pakistan ('SECP') through SRO 986(I)/2019 dated September 2, 2019 has granted exemption from the requirements of IFRS 16 'Leases' to all companies to the extent of their power purchase agreements executed before January 1, 2019. Therefore, the standard will not have any impact on the Group's consolidated financial statements to the extent of its PPA. For the remaining leases, the Group has assessed that the application of this standard does not have any material impact on these consolidated financial statements.

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a finance lease. The Group's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if the Group were to follow IFRS 16 with respect to its power purchase agreement, the effect on the consolidated financial statements would be as follows:

	2025 (Rupees in thousand)	2024 (Rupees in thousand)
De-recognition of property, plant and equipment	(1,969,148)	(1,990,569)
Recognition of lease debtor	340,932	349,785
Decrease in un-appropriated profit at the beginning of the year	(1,640,784)	(1,727,848)
Increase in profit for the year	12,568	87,064
Decrease in un-appropriated profit at the end of the year	<u>(1,628,216)</u>	<u>(1,640,784)</u>

- b) The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 229 (I) / 2019 dated February 14, 2019 notified that the standard IFRS 9, 'Financial Instruments' would be effective for reporting period / year ending on or after June 30, 2019. However, SECP through S.R.O. 985 (I) / 2019 dated September 30, 2019 granted exemption from applying expected credit loss based impairment model to financial assets due from the Government till June 30, 2021, which was further extended till June 30, 2022 vide S.R.O. 1177 (I) / 2021 dated September 13, 2021. The extension was subsequently granted till December 31, 2024 vide S.R.O. 67(I) / 2023 dated January 20, 2023, and has now been further extended till December 31, 2025 vide S.R.O. 1784(I) / 2024 dated November 4, 2024. Accordingly, the Group has not followed the requirements of IFRS 9 with respect to application of Expected Credit Losses in respect of trade debts and other receivables due from CPPA-G. The Group is in the process of assessing the impact of this amendment on the Group's consolidated financial statements.

2.3.3 Standards, amendments and interpretations to existing standards that are not yet effective and/or have not been early adopted by the Group

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 1, 2025, but are considered not to be relevant to the Group's operations and are, therefore, not detailed in these consolidated financial statements, except for the following:

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

The amendments clarify the timing for recognizing and derecognizing certain financial assets and liabilities, introduce an exception for some financial liabilities settled via electronic cash transfers, provide additional guidance for assessing if a financial asset meets the Solely Payment of Principal and Interest ('SPPI') criterion, require new disclosures for instruments with cash flow changes linked to Environmental, Social and Governance ('ESG') targets, and update disclosures for equity instruments designated at FVOCI.

The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

The above mentioned amendments are effective for accounting periods beginning on or after January 1, 2026.

b) IFRS 18 Presentation and Disclosure in Financial Statements

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

The above mentioned standard is effective for accounting periods beginning on or after January 1, 2027.

c) International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability-related financial information' and International Financial Reporting Standard (IFRS) S2, 'Climate-related disclosures'

The International Sustainability Standards Board ('ISSB') issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after July 01, 2025, as notified by the Securities Exchange Commission of Pakistan through order dated December 31, 2024. Subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The Group is in the process of assessing the impact of this amendment on the Group's financial statements.

d) Annual improvements to International Financial Reporting Standards – Volume 11 (effective for annual period beginning on July 1, 2026)

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

2.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention unless specified otherwise.

3 Significant accounting judgements, estimates and assumptions

The Group's material accounting policy information is stated in note 4. Not all of these material accounting policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers significant because of their complexity, judgment of estimation involved in their application and their impact on these consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

a) Useful lives and residual values of property, plant and equipment

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

b) Provision for obsolescence of stores and spares

The Group reviews stores and spares inventory items based on the technical evaluation(s) conducted in-house by the technical team. Provision is recognized against items determined to be obsolete and / or not expected to be used up till the expiry of PPA term.

3.1 Change in accounting estimate - useful life and residual value of assets

As described in note 1 to the consolidated financial statements, the PPA of the Holding Company has been extended for a period of one hundred and sixty one (161) days, therefore the remaining useful lives of plant and machinery, buildings on freehold land, and intangible assets have been revised during the year so that the depreciable amount of assets is written off over the economic life or the extended term of PPA, whichever is lower. Furthermore, the residual value of plant and machinery, buildings on freehold land and laboratory equipment has also increased based on a valuation exercise conducted by an independent valuer. Such a change has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and has been treated prospectively. Had these useful lives and residual values not been changed, the depreciation / amortisation for the year would have been higher by Rs 337 million and profit after tax for the year would have been lower by Rs. 337 million (EPS impact – Rs. 1.99 per share).

4 Material accounting policy information

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

4.1 Taxation

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these consolidated financial statements, except for taxes on normal business income which is specifically within the scope of IAS 12 and hence it continues to be categorized as current income tax.

Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized directly in equity or other comprehensive income.

Current income tax

The profits and gains of the Group derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. However, full provision is made in the profit and loss account on income from sources not covered under the above clause at current rates of taxation after taking into account, tax credits and rebates available, if any.

Deferred tax

Deferred tax has not been provided for in these consolidated financial statements as the Group's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains of the Group derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

4.2 Employee benefits

a) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

b) Post employment benefit - Defined contribution plan (Provident Fund)

There is an approved defined contributory provident fund for all employees. Equal monthly contributions are made both by the Group and employees to the fund at the rate of 10 percent of the basic salary subject to completion of minimum qualifying period of service as determined under the rules of the fund.

4.3 Property, plant and equipment

4.3.1 Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to certain plant and machinery comprises historical cost, exchange differences capitalized in previous years and borrowing cost mentioned in note 4.15.

Depreciation on all operating fixed assets is charged to profit or loss on the straight line method so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in note 11.1 after taking into account their residual values.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if the impact on depreciation is significant. Please refer to note 3.1 which describes the change in Group's assets' residual values and useful lives.

Depreciation on additions to operating fixed assets is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

The net exchange difference relating to an asset which was capitalized in line with the exemption granted by Securities and Exchange Commission of Pakistan, is being amortised in equal installments over its remaining useful life.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.5).

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.3.3 Major spare parts and standby equipment

Major spare parts and standby equipment qualify as property, plant and equipment when an entity expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

4.4 Intangible assets

Expenditure incurred to acquire intangible assets is stated at cost less accumulated amortisation and any identified impairment loss. Intangible assets are amortised using the straight line method over its estimated useful life at the annual rates mentioned in note 12. Intangible assets which are fully amortised till June 30, 2025 are mentioned in note 12.2.

Amortisation on additions to intangible assets is charged from the month in which an asset is available for use while no amortisation is charged for the month in which the asset is disposed off.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.5).

4.5 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.6 Stores, spares and loose tools

Stores, spares and loose tools are valued principally at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the consolidated statement of financial position date while items considered obsolete are carried at nil value.

Provision for obsolescence of stores and spare parts wherever required, is made on the basis of management's best estimate of usability of items and considering the ageing analysis prepared on an item by item basis.

4.7 Stock in trade

Inventories, except for that in transit, are valued principally at lower of cost and net realizable value. Cost is determined using First in First Out method for Furnace oil while weighted average method is used for the remaining items. Inventories in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realizable value is determined on the basis of estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. If the expected net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value.

4.8 Financial assets

4.8.1 Classification

The Group classifies its financial assets other than investments in equity instruments of subsidiary and associate in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss], and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

4.8.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

4.8.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

i) Amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as separate line item in the statement of profit or loss.

ii) Fair Value through Other Comprehensive Income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as separate line item in the statement of profit or loss.

iii) Fair Value through Profit or Loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss in the period in which it arises.

As at the reporting date, the Group classifies the investments relating to Mutual Funds at fair value through profit or loss since these are held for trading.

Equity instruments

The Group subsequently measures all equity investments except for investments in equity instruments of subsidiary and associate at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.8.4 Impairment of financial assets other than those due from the Government of Pakistan and investment in equity instruments

The Group assesses on a forward-looking basis, the expected credit losses ('ECL') associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group applies general 3-stage approach for loans, deposits and other receivables and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Long term loans;
- Loans, deposits and other receivables;
- Short term investments; and
- Bank balances

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increase in credit risk on other financial instruments of the same counterparty; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of borrowers; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognizes an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of counterparty's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.9 Financial liabilities

Financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

4.10 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to set off the recognized amount and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.11 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan includes trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. The Group follows relevant requirements of IAS 39 in respect of impairment of these financial assets due to the exemption available in respect of IFRS 9 till December 31, 2025 as stated in note 2.2.2 (b).

A provision for impairment is established when there is objective evidence that the Group will not be able to collect all the amount due according to the original terms of the receivable.

The Group assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss.

4.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the statement of financial position, finances under mark-up arrangements are included in current liabilities.

4.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued finance costs to the extent of the amount remaining unpaid.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

4.14 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

4.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.16 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 Group; 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.

4.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reports issued to the chief operating decision-maker. The Chief Executive Officer has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments. Currently, the Group is functioning as a single operating segment.

4.18 Trade debts

Trade debts are amounts due from CPPA-G in the ordinary course of business. They are generally due for settlement as referred to in note 4.190 and therefore are all classified as current. Trade debts are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade debts with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

4.19 Revenue recognition

Revenue shall be recognized when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset and thus has the ability to direct the use and obtain the benefits from the good or service.

Revenue from the sale of electricity to CPPA-G, the sole customer of the Group, is recorded on the following basis:

- Capacity Purchase Price revenue is recognized over time, based on the capacity made available to CPPA-G, at rates as specified under the PPA with CPPA-G, as amended from time to time; and
- Energy Purchase Price revenue is recognized at a 'point in time', as and when the Net Electrical Output (NEO) are delivered to CPPA-G.

Capacity and Energy revenue is recognized based on the rates determined under the mechanism laid down in the PPA.

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

Invoices are generally raised on a monthly basis and are due after 25 days from the date of submission by the Group to CPPA-G.

4.20 Finance income

Finance income comprises interest income on funds invested (financial assets), dividend income, gain on disposal of financial assets and changes in fair value of investments. Interest income is recognized as it accrues in profit or loss, using effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established.

4.21 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

4.22 Dividend and appropriation to reserves

Dividend and other appropriation to reserves are recognized in the consolidated financial statements in the period in which these are approved.

4.23 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.24 Share capital

Ordinary shares are classified as equity and recognized 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.

4.25 Rounding off amounts

All amounts presented in these consolidated financial statements and notes have been rounded off to the nearest thousand Rupees unless otherwise stated.

5 Issued, subscribed and paid up capital

2025	2024		2025	2024
(Number of shares)		Note	(Rupees in thousand)	
130,352,780	130,352,780	Ordinary shares of Rs 10/- each fully paid in cash	1,303,527,800	1,303,527,800
39,105,834	39,105,834	Ordinary shares of Rs 10/- each fully paid up as bonus shares 5.3	391,058,340	391,058,340
<u>169,458,614</u>	<u>169,458,614</u>		<u>1,694,586,140</u>	<u>1,694,586,140</u>

5.1 There has been no movement in the ordinary share capital of the Group.

5.2 All ordinary shares rank equally with regard to the Group's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

5.3 The Group issued bonus shares to its existing shareholders at the rate of 30 shares of Rs. 10 each for every 100 shares held as on December 21, 2000.

		2025	2024
	Note	(Rupees in thousand)	
6 Employee benefits			
Accumulated compensated absences	- note 6.1	<u>11,907</u>	<u>10,838</u>

2025 **2024**
(Rupees in thousand)

6.1 Movement in accumulating compensated absences is as follows:

Opening balance	10,838	9,473
Provision for the year	26,011	21,890
	36,849	31,363
Less: Payments made during the year	(24,942)	(20,525)
Closing balance	11,907	10,838

7 Short term finances - secured

Short term borrowings under mark-up and Shariah arrangements obtained as under:

		2025	2024
	Note	(Rupees in thousand)	
Under mark up arrangements - secured	- note 7.1	449,302	836,119
Under arrangements permissible under Shariah - secured	- note 7.2	601,200	1,640,018
		1,050,502	2,476,137

7.1 Markup Arrangements

Short term finances available from commercial banks under mark up arrangements amount to Rs. 3,000 million (2024: Rs. 4,000 million). The rates of mark up for finances under mark up arrangement ranged from 12.33% to 21.88% per annum (2024: 21.12% to 23.66% per annum). Various sub facilities comprising money market loans and letters of guarantee have also been utilized during the year. The security and other agreements, negotiable instruments and documents to be executed by the Group in favor of the bank shall be in the form and substance satisfactory to the bank. The Group shall execute or cause to be executed all such instruments, deeds or documents, which the bank may in its sole discretion require. Out of the aggregate running finances availed by the Group, Rs. 3,000 million are secured by joint pari passu charge on current assets.

7.2 Arrangements permissible under shariah

Short term finances available from Islamic banks under Islamic arrangements amount to Rs. 2,150 million (2024: Rs. 3,150 million). The rates of mark up for finances under arrangements permissible under shariah ranged from 11.61% to 22.59% per annum (2024: 20.96% to 23.64% per annum) on the balances outstanding. Out of the aggregate running finances availed by the Group, Rs. 2,150 Million are secured by joint pari passu charge on current assets.

7.3 Of the aggregate facility of Rs. 1,475 million (2024: Rs. 1,475 million) for opening letters of credit and Rs. 7 million (2024: Rs. 7 million) for guarantees, the amount utilized as at June 30, 2025 was Rs. 6.68 million (2024: Rs. 135.22 million) and Rs. 6.68 million (2024: Rs. 6.68 million) respectively.

		2025	2024
	Note	(Rupees in thousand)	
8	Trade and other payables		
Trade creditors		17,366	289,655
Accrued liabilities		103,741	74,579
Withholding tax payable		4,648	7,975
Workers' Profit Participation Fund	- note 8.1	36,731	80,163
Workers' Welfare Fund	- note 8.2, 8.3 & 8.4	15,068	138,927
Security deposits payable	- note 8.5	198	198
Payable to employees' provident fund	- note 8.6	-	2,502
Sales tax payable		-	3,562
Subscription money payable		-	1,000
Other payables		6,412	6,455
		<u>184,164</u>	<u>605,016</u>
8.1	Movement in Workers' Profit Participation Fund		
Opening balance		80,163	78,750
Provision for the year	- note 17.2	36,731	80,163
		<u>116,894</u>	<u>158,913</u>
Less: Payments made during the year		(80,163)	(78,750)
Closing balance		<u>36,731</u>	<u>80,163</u>
8.2	Movement in Workers' Welfare Fund		
Opening balance		138,927	106,861
Provision for the year	- note 17.3	14,693	32,066
		<u>153,620</u>	<u>138,927</u>
Less: Payments made during the year	- note 8.4	(138,552)	-
Closing balance		<u>15,068</u>	<u>138,927</u>
8.3	This represents provision recognized as per 'The Punjab Workers' Welfare Fund Act 2019'. Under the Act, the Group is liable to pay to Workers' Welfare Fund, a sum equal to two percent of its total income, which is higher of, profit before taxation or provision for taxation as per accounts or the declared income as per the return of income.		
8.4	Provisions pertaining to the year 2019 to 2024 were outstanding at the end of last year as it was uncertain whether this is required to be paid to the Federal Government or the Provincial Government. The matter was decided in the current year and the corresponding liability was duly paid to the Federal Government.		

8.5 This represents advances and security deposits which are repayable on demand or on the cancellation of agreement. These are utilized for the purpose of the business in accordance with the terms of section 217 of the Act.

8.6 The investments by the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

2025 2024
(Rupees in thousand)

9 Accrued finance cost

Mark up on short term finances under mark up arrangements - secured

12,975 26,971

Profit on short term arrangements permissible under Shariah - secured

18,467 38,657

31,442 65,628

10 Contingencies and commitments

10.1 Contingencies

(i) A sales tax demand of Rs. 505.41 million was raised against the Group through order dated August 29, 2014 by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from August, 2009 to June, 2013. Such amount was disallowed on the grounds that the revenue derived by the Group on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the Group was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the Group. Against the aforesaid order, the Group preferred an appeal before the Commissioner Inland Revenue (Appeals) ('CIR(A)') who vide its order dated November 6, 2014, upheld the ACIR's order on the issue regarding apportionment of input sales tax with the caveat that tax demand pertaining to period of show cause notice beyond the limitation of five years cannot be sustained and reduced from the tax demand. Subsequently, the Group preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR'). Additionally, the Group had filed an application with the Lahore High Court seeking a stay in recovery of tax arrears, default surcharge and penalty.

The Lahore High Court, in its order dated December 31, 2014, stayed the recovery of the tax demand along with default surcharge and penalty till adjudication by the ATIR, subject to deposit of Rs. 10 million with the Tax Department which the Group duly submitted on January 7, 2015. The ATIR vide its order dated May 4, 2015, upheld the CIR(A)'s order on the issue regarding apportionment of input sales tax. Thereafter, the Group filed an appeal against the decision of ATIR in the Lahore High Court.

The Lahore High Court vide its judgment dated October 31, 2016 has decided the case in favor of the Group. Subsequently, the tax department being aggrieved, filed a leave for appeal before the Supreme Court of Pakistan. The petition came up for hearing before the Apex Court on March 4, 2021, and leave for appeal was granted to the department. The latest hearing of the case, scheduled for May 22, 2025, was adjourned by the Supreme Court. The management is of the view that there are meritorious grounds available to defend the foregoing demands in the Supreme Court of Pakistan. Consequently, no provision for such demand has been made in these consolidated financial statements.

- (ii) A sales tax demand of Rs. 184.13 million was raised against the Group through order dated August 27, 2019 by the Deputy Commissioner Inland Revenue ('DCIR') on account of inadmissible input tax related to 'capacity purchase price', sales tax default on account of suppression of sales related to tax periods from July 2015 to June 2016 and inadmissible input tax claimed by the Group. Against the aforesaid order, the Group preferred an appeal before Commissioner Inland Revenue (Appeals) ('CIR(A)') on September 16, 2019. Out of Rs. 184.13 million, CIR(A) through order dated July 08, 2021 has deleted the demand of Rs. 152.95 million raised on account of inadmissible input tax related to 'capacity purchase price', whereas the remaining demand of Rs. 31.18 million raised related to sales tax default on account of suppression of sales for the tax periods from July, 2015 to June, 2016 and inadmissible input tax claimed by the Group have been remanded back to the DCIR. The management is of the view that there are meritorious grounds available to defend the foregoing demand. Consequently no provision for such demand has been made in these consolidated financial statements.

- (iii) The Commissioner Inland Revenue raised a demand of Rs. 231.57 million through assessment order dated April 16, 2019, on account of inadmissible input tax claims and under-declaration of supplies made to CPPA relating to the period July 2014 to June 2017.

Initially, an appeal was filed before the Commissioner Inland Revenue (Appeals) (CIR(A)), which was dismissed on May 11, 2020, on jurisdictional grounds. Subsequently, on June 12, 2020, the Group filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which, through its order dated November 24, 2022, directed the CIR(A) to decide the appeal on merits. The CIR(A) decided the appeal on October 27, 2023, setting aside the original assessment for re-verification.

Alongside, a protective appeal filed before the ATIR on May 21, 2019 was decided on May 24, 2024, remanding the case back to the Inland Revenue Officer (IRO) without considering the earlier ATIR order dated November 24, 2022. This decision was challenged by the Group before the Hon'ble High Court, which was heard on September 24, 2024. The High Court set aside the ATIR's order dated May 24, 2024, and the protective appeal filed by the Group was withdrawn.

Following the High Court's decision, the IRO passed the re-assessment order dated June 27, 2025, upholding the original assessment and thereby maintaining the demand against the Group. Being aggrieved, the Group has filed an appeal before the CIR(A) on July 15, 2025, which is currently pending adjudication. The management is of the view that there are meritorious grounds available to defend the foregoing demand. Consequently no provision for such demand has been made in these consolidated financial statements.

- (iv) The Group has issued a guarantee in favor of Sui Northern Gas Pipelines Limited (SNGPL) on account of payment of dues against gas sales etc., amounting to Rs. 6.68 million (2024: Rs. 6.68 million).

10.2 Commitments

- (i) Letters of credit / bank contracts other than capital expenditure as at end of current year are Rs. 6.68 million (2024: 40.11 million).
- (ii) Letters of credit / bank contracts for capital expenditure as at end of current year are Nil (2024: Rs. 95.11 million).

	Note	2025 (Rupees in thousand)	2024
11	Property, plant and equipment		
Operating fixed assets	- note 11.1	2,203,075	2,235,446
Major spare parts and standby equipment	- note 11.2	328,652	147,202
		<u>2,531,727</u>	<u>2,382,648</u>

11.1 Property, plant and equipment

Net carrying value basis (NBV)

Year ended June 30, 2025

	Freehold land	Buildings on freehold land	Plant and machinery	Office appliances and equipment	Laboratory equipment	Electric appliances and equipment	Computers	Furniture and fixtures	Vehicles	Total
Opening balance	93,209	63,213	1,984,877	267	62	3,932	2,101	18	87,768	2,235,447
Additions (at cost)	-	-	165,092	70	-	5,398	340	-	25,017	195,917
Disposals (at NBV)	-	-	-	-	-	-	(408)	-	(22,162)	(22,570)
Depreciation charge	-	-	(186,513)	(102)	(55)	(1,219)	(1,210)	-	(16,620)	(205,719)
Closing balance	93,209	63,213	1,963,456	235	7	8,111	823	18	74,003	2,203,075

Gross carrying value basis

As at June 30, 2025

Cost	93,209	625,457	9,642,794	5,607	5,561	38,750	52,529	7,884	108,571	10,580,362
Accumulated depreciation	-	(562,244)	(7,679,338)	(5,372)	(5,554)	(30,639)	(51,706)	(7,866)	(34,568)	(8,377,287)
Net book value (NBV)	93,209	63,213	1,963,456	235	7	8,111	823	18	74,003	2,203,075

Depreciation rate per annum

-	3% - 9%	3% - 41%	10%	10%	10%	10%	33%	10%	20%	
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Net carrying value basis (NBV)

Year ended June 30, 2024

Opening balance	93,209	84,522	2,059,075	242	409	3,862	2,389	18	46,656	2,290,382
Additions (at cost)	-	-	351,862	127	-	1,219	1,176	-	58,317	412,701
Disposals (at NBV)	-	-	-	-	-	-	(39)	-	(4,782)	(4,821)
Depreciation charge	-	(21,309)	(426,060)	(102)	(347)	(1,149)	(1,425)	-	(12,423)	(462,816)
Closing balance	93,209	63,213	1,984,877	267	62	3,932	2,101	18	87,768	2,235,446

As at June 30, 2024

Cost	93,209	625,457	9,477,702	5,537	5,561	33,352	53,339	7,884	130,685	10,432,726
Accumulated depreciation	-	(562,244)	(7,492,825)	(5,270)	(5,499)	(29,420)	(51,238)	(7,866)	(42,917)	(8,197,280)
Net book value (NBV)	93,209	63,213	1,984,877	267	62	3,932	2,101	18	87,768	2,235,446

Depreciation rate per annum

-	4% - 9%	4.5% - 33%	10%	10%	10%	10%	33%	10%	20%	
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- 11.1.1** The cost of fully depreciated assets which are still in use as at June 30, 2025 is Rs. 1,034.61 million (2024: Rs. 982.43 million).
- 11.1.2** Immovable fixed assets of the Group are situated at Head Office, Post Office Raja Jang, near Tablighi Ijtima, Raiwind Bypass, Lahore, Pakistan. Freehold land represents 256 kanal of land situated at Post Office Raja Jang, near Tablighi Ijtima, Raiwind Bypass, Lahore out of which approximately 19 kanal represent covered area.
- 11.1.3** The depreciation charge for the year has been allocated as follows:

	Note	2025 (Rupees in thousand)	2024
Cost of sales	21	192,787	452,283
Administrative expenses	22	12,932	10,533
		<u>205,719</u>	<u>462,816</u>

11.1.4 Disposal of property, plant and equipment

The details of property, plant and equipment disposed of during the year having individual book value exceeding Rs. 500,000 or more are as follows:

2025 (Rupees in thousand)						
Assets with book value greater than Rs. 0.5 Million	Particulars of assets	Particulars of Buyer	Cost	Accumulated depreciation	Book value	Sale proceeds
		Employees				
	Vehicle	Mr. Muhammad Yahya Khan	3,253	2,602	651	651
	Vehicle	Mr. Usman Saeed	3,426	2,330	1,096	1,096
	Vehicle	Mr. Imran Afzal	2,273	970	1,303	1,303
	Vehicle	Mr. Aman Ul Qaiser	1,421	550	871	871
	Vehicle	Mr. Waqas Ahamd Bhatti	1,637	568	1,069	1,069
	Vehicle	Mr. Sheraz ul Haq	4,140	773	3,367	3,367
	Vehicle	Syed Ghazanfar Ali Zaidi	4,050	1,728	2,322	2,322
	Vehicle	Ms. Fakhra Rasheed	1,232	591	641	641
	Vehicle	Mr. Arif Malik	2,674	428	2,246	2,246
	Vehicle	Mr. Muhammad Ahmad	2,775	74	2,701	2,701
	Vehicle	Mr. Muhammad Ashraf	3,842	1,230	2,612	3,000
		Third Party				
	Vehicle	Mr. Syed Abbas Bukhari	10,432	8,346	2,086	1,000
			41,155	20,190	20,965	20,267
						(696)
Other assets with book value less than Rs. 0.5 Million						
Various		-	7,126	5,521	1,605	1,413
			48,281	25,711	22,570	21,680
						(890)
2024 (Rupees in thousand)						
Assets with book value greater than Rs. 0.5 Million	Particulars of assets	Particulars of Buyer	Cost	Accumulated depreciation	Book value	Sale proceeds
		Employees				
	Vehicle	Mr. Malik Arif	2,926	2,341	585	546
	Vehicle	Mr. Rahmat Ullah	4,034	2,259	1,775	1,775
	Vehicle	Mr. Muhammad Ashraf	3,128	2,503	625	625
	Vehicle	Mr. Muhammad Asif	3,255	1,909	1,346	651
			13,343	9,012	4,331	3,597
						(734)
Other assets with book value less than Rs. 0.5 Million						
Various		-	2,932	2,442	490	342
			16,275	11,454	4,821	3,939
						(882)
						-do-

- 11.2** This amount represents the mechanical store items including coupling flexible set and pieces of piston crown coated which are held for capitalization.

12 Intangible assets

	Computer software's	Others	Total
	(Rupees in thousand)		
<hr/>			
Net carrying value basis			
Year ended June 30, 2025			
Opening net book value (NBV)	1,407	167	1,574
Amortisation charge	(430)	(52)	(482)
Closing net book value (NBV)	<u>977</u>	<u>115</u>	<u>1,092</u>
<hr/>			
Gross carrying value basis			
As at June 30, 2025			
Cost	22,117	1,000	23,117
Accumulated amortisation	(21,140)	(885)	(22,025)
Net book value (NBV)	<u>977</u>	<u>115</u>	<u>1,092</u>
Amortisation rate per annum	<u>6.09% - 8.57%</u>	<u>5.45%</u>	
<hr/>			
Net carrying value basis			
Year ended June 30, 2024			
Opening net book value (NBV)	1,857	223	2,080
Amortisation charge	(450)	(56)	(506)
Closing net book value (NBV)	<u>1,407</u>	<u>167</u>	<u>1,574</u>
<hr/>			
Gross carrying value basis			
As at June 30, 2024			
Cost	22,117	1,000	23,117
Accumulated amortisation	(20,710)	(833)	(21,543)
Net book value (NBV)	<u>1,407</u>	<u>167</u>	<u>1,574</u>
Amortisation rate per annum	<u>6.25% - 8.82%</u>	<u>5.56%</u>	

		2025	2024
	Note	(Rupees in thousand)	
12.1	The amortisation charge for the year has been allocated as follows:		
Administrative expenses	- note 22	482	506

12.2 The cost of fully amortised assets which are still in use as at June 30, 2025 is Rs. 16.50 million (2024: Rs. 16.50 million).

		2025	2024
	Note	(Rupees in thousand)	
13	Long term loans and deposits		
Loans to employees - considered good			
- Executives	- note 13.1	3,975	3,000
Less : Current maturity		(2,544)	(3,000)
		1,431	-
Security Deposits		144	144
		1,575	144

13.1 These represent interest free loans to executives and other employees for purchase of residential plot, construction of house, purchase of motor cars etc. and are repayable in monthly instalments over a year. Loans for purchase of residential plots and construction of house are secured against titled documents of asset. Loans for purchase of motor cars are secured by registration of motor cars in the name of the Group. Security deposits include the amount paid to Central Depository Company. These loans have not been carried at amortised cost as the effect of discounting is not considered material.

13.2 The maximum amount outstanding at the end of any month from executives aggregated Rs. 6.00 million (2024: Rs. 12.00 million).

		2025	2024
	Note	(Rupees in thousand)	
14	Stores, spares and loose tools		
Stores		8,099	11,935
Spares		463,421	419,735
Loose tools		1,424	759
		472,944	432,429
Provision for obsolete stores and spares	- note 14.1	(28,642)	(28,642)
		444,302	403,787

		2025	2024
		(Rupees in thousand)	
14.1	Provision for obsolete stores and spares		
	Opening balance	28,642	28,642
	Provision made during the year	-	-
	Closing balance	28,642	28,642
14.2	Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.		
		2025	2024
		(Rupees in thousand)	
	Note		
15	Stock in trade		
	Furnace oil	354,941	557,467
	Diesel	2,680	2,670
	Lubricating oil	8,432	9,278
		366,053	569,415
16	Trade debts - net		
	Trade receivables from CPPA-G - secured		
	- Considered good	1,208,562	2,853,377
	- Considered doubtful	-	-
		1,208,562	2,853,377
	Provision for doubtful debts	-	-
		1,208,562	2,853,377
16.1	This includes an overdue amount of Rs. 598.11 million (2024: Rs. 1,264.19 million) receivable from CPPA-G (formerly WAPDA). The trade debts are secured by a guarantee from the Government of Pakistan (GoP) under the Implementation Agreement. These are in the normal course of business and are interest free, however, a penal mark up at the rate of 3-month KIBOR plus 1% per annum (2024: base rate plus 2% per annum) is charged in case the amounts are not paid within due dates, the base rate being the State Bank of Pakistan's reverse repo rate. The penal mark up rate charged during the year was 12.13% to 20.52% (2024: 23.50% to 25.00%) per annum. These include unbilled receivables aggregating to Rs. 454.22 million (2024: Rs. 1,214.33 million).		
	Aging analysis of trade debts is given in note 34.1(b)(I).		
16.2	During the year, an amount of Rs. 39.84 million with regards to interest on delayed payment has been written off as per the terms of the Amendment Agreement to the PPA signed between the Group and the CPPA-G on February 19, 2025. The same has been included in 'other expenses'.		

- 16.3** An amount of Rs. 0.35 million with regards to long outstanding energy revenue amount has been written off during the year under dispute settlement. The same has been included in 'other expenses'.

2025 **2024**
(Rupees in thousand)

17 **Loans, advances, deposits, prepayments and other receivables**

Current portion of long term loans to employees	- note 13	2,544	3,000
Advances - considered good			
- To employees	- note 17.1	1,313	2,879
- To suppliers		387,978	322,316
Prepayments		834	1,624
Claims recoverable from CPPA-G for pass through items:			
- Workers' Profit Participation Fund	- note 17.2	36,731	80,163
- Workers' Welfare Fund	- note 17.3	15,068	138,927
- Private Power and Infrastructure Board (PPIB) fee	- note 17.5	85,673	-
Sales tax receivable		5,215	-
Margin against letter of guarantee		3,020	3,020
Other receivables - considered good		32	1,029
Incorporation expense receivable - KPSL	- note 17.6	-	43
		<u>538,408</u>	<u>553,001</u>

- 17.1** Included in advances to employees are amounts due from executives of Rs. 0.06 million (2024: Rs. 0.79 million).

2025 **2024**
(Rupees in thousand)

Note

17.2 **Movement in Workers' Profit Participation Fund is as follows:**

Opening balance		80,163	78,750
Provision for the year	- note 8.1	36,731	80,163
		<u>116,894</u>	<u>158,913</u>
Receipts during the year		(80,163)	(78,750)
Closing balance	- note 17.4	<u>36,731</u>	<u>80,163</u>

		2025	2024
	Note	(Rupees in thousand)	
17.3	Movement in Workers' Welfare Fund is as follows:		
Opening balance		138,927	106,861
Provision for the year	- note 8.2	14,693	32,066
		153,620	138,927
Receipts during the year		(138,552)	-
Closing balance	- note 17.4	15,068	138,927
17.4	Under section 14.2(a) of Part III of Schedule 6 to the Power Purchase Agreement (PPA) with CPPA-G, payments to Workers' Profit Participation Fund and Workers' Welfare Fund are recoverable from CPPA-G as pass through items. During the current year, the Group paid the Workers' Welfare Fund (WWF) provision for the years 2019 to 2024, as described in Note 8.4.		
17.5	The Group made adequate provision for Private Power and Infrastructure Board (PPIB) fees applicable on IPPs and respective non-payment surcharges at the prescribed rates in prior years. Subsequent to the year end, National Electric Power Regulatory Authority (NEPRA) in its meeting held on July 7, 2025, issued a decision declaring that the PPIB fee to be a pass-through item for Independent Power Producers (IPPs), recoverable from the Central Power Purchasing Agency (CPPA).		
	This decision has been treated as an adjusting event in these consolidated financial statements and the provision previously recorded for the PPIB fee has been reversed and the corresponding amount has been recognized as a receivable from the CPPA in the current year.		
17.6	This represents receivable from related party, KEL Power Solutions (Private) Limited, on account of incorporation expenses paid by the Holding Company on its behalf.		

	2025		2024	
	Cost	Carrying Value	Cost	Carrying Value
	(Rupees in thousand)			
18	Short term investments			
	Fair value through profit or loss			
NBP Islamic Daily Dividend Fund	216,294	216,294	14	14

2025 **2024**
(Rupees in thousand)

18.1 Movement in investments

Opening fair value as at 1 July	14	-
Investments during the year	1,750,000	2,210,010
Redemptions during the year	(1,559,114)	(2,214,325)
Dividend reinvestment - net of tax	25,394	4,329
Closing fair value as at June 30	<u>216,294</u>	<u>14</u>

	2025		2024	
	Number of Units	Fair value	Number of Units	Fair value
Investments				
NBP Islamic Daily Dividend Fund	<u>21,629,394</u>	<u>216,293,938</u>	<u>1,382</u>	<u>13,826</u>

2025 **2024**
(Rupees in thousand)

Note

19 Cash and bank balances

Cash at banks		
Current accounts	766	4,372
Saving accounts and term deposits		
- Under interest / mark up arrangements - note 19.1	50,219	338,500
- Retention account - Onshore	24,461	21,377
- Term Deposit Receipts	-	600,000
- Under arrangements permissible under Shariah - note 19.1	676	244
	<u>75,356</u>	<u>960,121</u>
	76,122	964,493
Cash in hand	912	2,299
	<u>77,034</u>	<u>966,792</u>

- 19.1** The balance in savings bank accounts bear mark up at rates ranging from 5.01% to 19.00% per annum (2024: 20.10% to 20.50% per annum) and balance in accounts under arrangements permissible under Shariah bear profit at the rates ranging from 2.78% to 20.50% per annum (2024: 4.29% to 20.50%).

2025 **2024**
(Rupees in thousand)

20 Revenue

Energy Purchase Price	2,778,826	8,517,998
Less: Sales tax	(423,889)	(1,299,356)
	<u>2,354,937</u>	<u>7,218,642</u>
Capacity Purchase Price	1,787,670	2,446,893
Delayed payment mark-up	186,204	344,358
	<u><u>4,328,811</u></u>	<u><u>10,009,893</u></u>

- 20.1** This represents revenue from contract with sole customer of the Group i.e. CPPA-G.

- 20.2** The Group entered into an Amendment Agreement with the Power Purchaser on February 19, 2025, to amend the existing PPA and IA by agreeing to a Hybrid Take and Pay Model (hereby known as "Amendment Agreement"). As per terms of the Amendment Agreement, effective from November 1, 2024, the current indexation mechanism was amended to incorporate certain discounts and adjustments. Accordingly, the Group agreed to relinquish its claim to late payment surcharge as on October 31, 2024. Accordingly, the amount of delayed payment mark up includes a reversal of Rs.156 million.

		2025	2024
	Note	(Rupees in thousand)	
21	Cost of sales		
Raw material consumed		2,140,696	6,445,681
Salaries, wages and benefits	- note 21.1	265,107	266,737
Stores and spares consumed		84,813	230,863
Depreciation on operating fixed assets	- note 11.1.3	192,787	452,283
Fee and subscription		6,835	5,022
Insurance		139,876	138,567
Travelling, conveyance and entertainment		27,725	39,505
Repairs and maintenance		7,139	14,693
Legal and professional charges		626	407
Communication charges		2,376	2,176
Electricity consumed in-house		67,009	67,524
Environmental expenses		451	583
Liquidated damages		15,818	83
Contracted services		27,180	43,049
Miscellaneous		4,727	4,814
		<u>2,983,165</u>	<u>7,711,987</u>

- 21.1** Salaries, wages and other benefits include Rs. 9.22 million (2024: Rs. 10.95 million) in respect of provision for accumulated compensated absences and Rs. 10.90 million (2024: Rs. 10.53 million) in respect of provision for defined contribution provident fund.

		2025	2024
	Note	(Rupees in thousand)	
22	Administrative expenses		
Salaries, wages and benefits	- note 22.1	192,576	212,634
Communication charges		2,313	3,313
Depreciation on operating fixed assets	- note 11.1.3	12,932	10,533
Amortisation on intangible assets	- note 12.1	482	506
Insurance		3,700	3,318
Travelling, conveyance and entertainment		40,326	61,256
Repairs and maintenance		2,597	3,081
Legal and professional charges	- note 22.2	16,575	7,522
Community welfare expenses		8,420	11,299
Rents, rates and taxes		4,873	302
Fee and subscription		(62,474)	19,857
Security expenses		8,963	9,702
Environmental expenses		14,380	15,580
Contracted services		14,995	14,853
Donation	- note 22.4	2,300	1,500
Miscellaneous		5,913	10,514
		<u>268,871</u>	<u>385,770</u>

22.1 Salaries, wages and other benefits include Rs. 18.06 million (2024: Rs. 10.94 million) in respect of provision for accumulated compensated absences and Rs. 3.79 million (2024: Rs. 4.45 million) in respect of provision for defined contribution provident fund.

	2025	2024
	(Rupees in thousand)	

22.2 Legal and professional charges include the following:

In respect of auditors' services for:

- Statutory audit of unconsolidated financial statements	2,675	2,326
- Statutory audit of consolidated financial statements	250	-
- Advice regarding certain taxation matters	-	1,575
- Half yearly review and certifications	1,131	843
- Out of pocket expenses	535	302
	<u>4,591</u>	<u>5,046</u>

2025 **2024**
(Rupees in thousand)

22.3 Employees of the Group

Total number of employees as at June 30	101	139
Average number of employees	114	138

22.4 During the year ended June 30, 2025, an amount of Rs. 2.30 million (2024: 1.50 million) was donated to Khursheed Begum Eye Hospital. None of the directors and their spouses had any interest in any of the donees during the year.

2025 **2024**
(Rupees in thousand)

Note

23 Other expenses

Loss on sale of fixed assets	- note 23.1	890	882
Bad debt written off	- note 23.2	40,185	-
		41,075	882

23.1 This represented the loss arising on the disposal of Vehicles and Computers which are a part of Group's Property, Plant and Equipment.

23.2 This represents the Late Payment receivable amounting to Rs. 39.84 million written off as per the terms of the Amendment Agreement to the PPA signed between the Group and the CPPA-G on February 19, 2025. This also includes an amount of Rs. 0.35 million relating to long outstanding energy revenue amount written off under dispute settlement.

2025 **2024**
(Rupees in thousand)

Note

24 Other income

Income on bank deposits	- note 24.1	8,199	6,911
Income from mutual fund	- note 24.2	33,859	5,093
		42,058	12,004

24.1 Income on bank deposits

Income on bank deposits under mark up arrangements	6,217	5,125
Income on bank deposits under arrangements permissible under Shariah	1,715	1,786
	7,932	6,911

	Note	2025 (Rupees in thousand)	2024
24.2 Income from mutual fund			
Dividend Income		33,859	5,093
		<u>33,859</u>	<u>5,093</u>
25 Finance costs			
Mark up on short term finances - secured		341,637	318,036
Bank guarantee and commission		80	83
Others		1,416	1,873
		<u>343,133</u>	<u>319,992</u>
26 Levy			
Levy - final tax	- note 26.1	<u>8,465</u>	<u>764</u>
26.1	This represents final taxes paid under sections 5 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.		
	Note	2025 (Rupees in thousand)	2024
27 Taxation			
Taxation	- note 27.1	<u>2,300</u>	<u>2,004</u>
27.1 Current taxation			
- For the year		2,300	2,004
- Prior year		-	-
		<u>2,300</u>	<u>2,004</u>
27.2 Tax charge reconciliation			
Profit before taxation		<u>726,160</u>	<u>1,602,502</u>
Tax at applicable rate of 29% (2024: 29%)		210,586	464,726
Tax effect of exempt income referred in note 4.1		<u>(208,209)</u>	<u>(462,722)</u>
Tax charge		<u>2,377</u>	<u>2,004</u>
27.3	This represents tax liability of the Group calculated under the relevant provisions of the Income Tax Ordinance, 2001.		

	Note	2025 (Rupees in thousand)	2024
28 Cash generated from operations			
Profit before taxation		726,160	1,602,502
Adjustment for non-cash charges and other items:			
- Depreciation on property, plant and equipment		205,719	462,816
- Amortisation on intangible assets		482	506
- Loss / (Gain) on disposal of property, plant and equipment		890	882
- Income on bank deposits		(8,199)	(6,911)
- Dividend Income		(33,859)	(5,093)
- Charge for employee retirement and other benefits		26,011	21,890
- Finance costs on borrowings		343,133	319,992
Profit before working capital changes		1,260,337	2,396,584
Decrease / (increase) in current assets			
- Stock in trade		203,362	414,715
- Stores, spares and loose tools		(40,515)	(64,142)
- Trade debts		1,644,815	(532,998)
- Loans, advances, deposits, prepayments and other receivables		14,593	350,425
		1,822,255	168,000
(Decrease) / Increase in current liabilities			
- Trade and other payables		(420,852)	54,185
		1,401,403	222,185
		2,661,740	2,618,769
29 Cash and cash equivalents			
Cash and bank balances	- note 19	77,034	966,792
Short term finances - secured	- note 7	(1,050,502)	(2,476,137)
		(973,468)	(1,509,345)

30 Remuneration of Chief Executive, Directors and Executives

30.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the chief executive, directors and executives of the Group is as follows:

		Chief Executive		Non-Executive Director		Executives	
		2025	2024	2025	2024	2025	2024
(Rupees in thousand)							
Short term employee benefits							
Meeting fee	Note 30.3	-	-	-	30	-	-
Managerial remuneration		16,237	13,997	28,009	24,146	95,059	87,959
Housing		7,307	6,299	12,604	10,866	42,776	39,581
Utilities		1,624	1,400	2,801	2,415	9,506	8,796
Medical allowance and reimbursement		-	-	-	-	2,396	1,776
Bonus		4,719	6,931	-	-	28,368	37,804
Club expenses		253	223	-	-	759	686
Leave encashment		2,097	1,808	-	-	12,144	8,838
Others		3,689	3,181	-	-	6,482	5,410
		35,926	33,839	43,414	37,457	197,490	190,850
Post employment benefits							
Contribution to provident fund		-	-	-	-	8,187	7,640
		35,926	33,839	43,414	37,457	205,677	198,490
Number of persons		1	1	1	2	38	34

30.2 Certain executives are provided with the Group maintained vehicles.

30.3 Fees represent the amounts paid to non executive directors for attending meetings of the Board and its sub-committees.

31 Transactions with related parties

The related parties comprise associated undertakings, other related companies, key management personnel and post retirement benefit plan. The Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables, if any, and remuneration of key management personnel is disclosed in note 30. Other significant transactions with related parties are as follows:

		2025	2024
		(Rupees in thousand)	
Relation with undertaking	Nature of transaction		
Associated companies	Purchase of services	227	232
	Purchase of goods	-	349
Associated persons	Dividend paid	692,124	1,433,492
Key management personnel	Dividend paid	44,373	91,915
Subsidiary	Incorporation expense receivable - KPSL	-	43
Subsidiary	Subscription money payable	-	1,000
Kohinoor Energy Limited Employees Provident Fund	Contributions paid on behalf of employee and employer	29,376	29,956

- 31.1** The names of related parties with whom the Group has entered into transactions or had agreements / arrangements in place during the year and whose names have not been disclosed elsewhere in these consolidated financial statements are as follows:

Name of the related party	Basis of relationship	Percentage of shareholding
Red Communication Arts (Private) Limited	Common directorship	-
Pak Elektron Limited	Common directorship	-

All transactions with related parties are carried out on mutually agreed terms and conditions.

- 31.2** There was no related party incorporated outside the Pakistan with whom the Group had entered into transactions.

2025
MWh

2024
MWh

32 Capacity and production

Installed capacity - based on 8,760 hours (2024 : 8784 hours)	1,086,240	1,089,216
Actual energy delivered	76,156	207,615
Efficiency	7.01%	19.06%

Under utilization of available capacity is due to less demand by CPPA-G.

33 Financial risk management

33.1 Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Group's finance department under policies approved by the Board of Directors ('BOD'). The Group's finance department evaluates and hedges financial risks based on principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the BOD. All treasury related transactions are carried out within the parameters of these policies.

The Group's overall risk management procedures to minimize the potential adverse effects of financial market on the Group's performance are as follows:

a) Market risk

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is not exposed to currency risk since there are no asset or liability denominated in foreign currency at the reporting date.

ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not exposed to equity price risk since there are no investments in equity instruments traded in the market at the reporting date. The Group is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

iii) Interest rate risk

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

The Group has no significant long-term interest-bearing assets and liabilities. The Group's interest rate risk arises from trade debts and short term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Similarly, trade debts on which the rate of interest on delayed payments is linked with State Bank of Pakistan reverse repo rate exposes the Group to cashflow interest rate risk.

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

		2025	2024
		(Rupees in thousand)	
Floating rate instruments			
Financial assets			
Bank balances - savings accounts	- note 19.1	75,356	960,121
Trade debts - overdue		598,112	1,264,197
Short term investments		216,294	14
Financial liabilities			
Short term finances - secured	- note 7	(1,050,502)	(2,476,137)
Net exposure		(160,740)	(251,805)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the statement of financial position date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on finances under mark up arrangements, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit before tax would have been Rs. 10.51 million (2024: Rs. 24.76 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate finances.

If interest rates on bank balances - savings accounts, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit before tax would have been Rs. 0.75 million (2024: Rs. 9.60 million) higher / lower, mainly as a result of higher / lower interest rate expense on floating rate.

If interest rates on delayed payments on trade debts, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit before tax would have been Rs. 5.98 million (2024: Rs. 12.64 million) higher / lower, mainly as a result of higher / lower interest rate expense on floating rate.

If interest rates on short term investments, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit before tax would have been Rs. 2.16 million (2024: Rs. 0.00014 million) higher / lower, mainly as a result of higher / lower interest rate expense on floating rate.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from deposits with banks, trade and other receivables.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilization of these credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

i) Exposure to credit risk

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

	2025	2024
	(Rupees in thousand)	
Long term loans and deposits	1,575	1,144
Trade debts	1,208,562	2,853,377
Loans, advances, deposits, prepayments and other receivables	143,068	226,182
Bank balances - savings accounts	76,122	219,679
Short term investments	216,294	14
	<u>1,645,621</u>	<u>3,300,396</u>

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Group believes that it is not exposed to major concentration of credit risk and the risk attributable to trade debts and Workers' Welfare Fund, Worker's Profit Participation Fund and PPIB fee receivable from Power Purchaser is mitigated by guarantee from the Government of Pakistan under the Implementation Agreement. Age analysis of trade receivable balances is as follows:

As of June 30, age analysis of trade debts was as follows:

	2025	2024
	(Rupees in thousand)	
- Neither past due nor impaired	610,450	1,589,180
- Past due 0 - 180 days	598,112	1,263,852
- Past due 181 - 365 days	-	-
- 1 - 2 years	-	-
- More than 2 years	-	345
	598,112	1,264,197
	<u>1,208,562</u>	<u>2,853,377</u>

ii) Credit quality of major financial assets

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Short Term	Long Term	Rating Agency	2025 (Rupees in thousand)	2024
Trade debts					
CPPA-G	-----	Not available	-----	1,208,562	2,853,377
Other receivables					
CPPA-G	-----	Not available	-----	137,472	219,090
Cash at bank					
Bank Alfalah Limited	A1+	AAA	PACRA	-	-
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	-	2
Askari Bank Limited	A1+	AA+	PACRA	75,040	361,980
Habib Bank Limited	A1+	AAA	VIS	9	8
Al Baraka Bank (Pakistan) Limited	A1	AA-	VIS	114	91
United Bank Limited	A1+	AAA	VIS	1	1
National Bank of Pakistan	A1+	AAA	PACRA	77	37
Faysal Bank Limited	A1+	AA	PACRA	235	601,942
Bank Islami Pakistan Limited	A1	AA-	PACRA	3	3
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	121	377
MCB Bank Limited	A1+	AAA	PACRA	-	1
Meezan Bank Limited	A1+	AAA	VIS	51	51
				<u>1,421,685</u>	<u>4,036,960</u>

After giving due consideration to the strong financial standing of the banks and Government guarantee in case of CPPA-G, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly, the credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Group's businesses, the Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Management monitors the forecasts of the Group's cash and cash equivalents (note 30) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Group. The Group's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring reporting date liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

	Contractual Cashflows				Carrying amount
	Less than one year	One to five years	More than five years	Total contractual cashflows	
	(Rupees in thousand)				
Short term finances - secured	1,050,502	-	-	1,050,502	1,050,502
Trade and other payables	184,164	-	-	184,164	183,395
Accrued finance cost	31,442	-	-	31,442	35,205
Unclaimed dividend	18,586	-	-	18,586	18,586
	1,284,694	-	-	1,284,694	1,287,688

The following are the contractual maturities of financial liabilities as at June 30, 2024.

	Contractual Cashflows				Carrying Amount
	Less than one year	One to five years	More than five years	Total contractual cashflows	
	(Rupees in thousand)				
Short term finances - secured	2,476,137	-	-	2,476,137	2,476,137
Trade and other payables	605,016	-	-	605,016	605,016
Accrued finance cost	65,628	-	-	65,628	65,628
Unclaimed dividend	17,830	-	-	17,830	17,830
	3,164,611	-	-	3,164,611	3,164,611

33.2 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 Group 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 consolidated 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 June 30, 2025:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets:				
Short term investments	216,294	-	-	216,294

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:				
Short term investments	14	-	-	14

33.3 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

33.4 Financial instruments by categories

Amortised cost
2025 2024
(Rupees in thousand)

Financial assets as per statement of financial position

Long term loans and deposits	1,575	1,144
Trade debts	1,208,562	2,853,377
Loans, advances, deposits, prepayments and other receivables	143,068	226,182
Bank balances - savings accounts	76,122	219,679
Short term investments	216,294	14
	<u>1,645,621</u>	<u>3,300,396</u>

Financial liabilities as per statement of financial position

Short term finances - secured	1,050,502	2,476,137
Trade and other payables	184,164	605,016
Accrued finance cost	31,442	65,628
Unclaimed dividend	18,586	17,830
	<u>1,284,694</u>	<u>3,164,611</u>

33.5 Financial assets and financial liabilities subject to offsetting

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

33.6 Capital risk management

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

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in consolidated statement of financial position). Net debt is calculated as non-current borrowings in these consolidated financial statements less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position.

The gearing ratio has not been presented as the Group has no non - current borrowings.

34 Reconciliation of liabilities arising from financing activities

	July 1, 2024	Accruals / Dividend Declared	Payments	June 30, 2025
Unclaimed dividend	17,830	1,186,210	(1,185,454)	18,586

	July 1, 2023	Accruals / Dividend Declared	Payments	June 30, 2024
Unclaimed dividend	31,526	2,457,149	(2,470,845)	17,830

35 Disclosure relating to Provident Fund

The investments by the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

36 Earnings per share

36.1 Basic earnings per share		2025	2024
Net profit for the year	Rupees in thousand	723,860	1,600,498
Weighted average number of ordinary shares	Number in thousand	169,459	169,459
Earnings per share	Rupees	4.27	9.44

36.2 Diluted earnings per share

A diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at June 30, 2025 and June 30, 2024 which would have any effect on the earnings per share if the option to convert is exercised.

37 Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purposes of better presentation. During the year, no major rearrangements or reclassifications were made.

Reclassification from component	Note	Reclassification to component	2024 (Rupees in thousand)
Cost of Sales - Miscellaneous	21	Cost of Sales - Legal and professional charges	407
Administrative expenses - Miscellaneous	22	Administrative expenses - Donation	1,500
Cash and bank balances - Under interest / mark up arrangements	19	Cash and bank balances - Under arrangements permissible under Shariah	145

38 Disclosure requirement for groups not engaged in Shariah non-permissible business activities

Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S.R.O. 1278(I)/2024 dated August 15, 2024:

Description	Explanation	Note	2025 (Rupees in thousand)	2024
Consolidated Statement of Financial Position - Liability Side				
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	Short term financing obtained from Islamic Institutions	7	601,200	1,640,018
Interest or mark-up accrued on any conventional loan or advance	Accrued finance cost on conventional loans	9	12,975	26,971
Consolidated Statement of Financial Position - Asset Side				
Long-term and short-term Shariah compliant Investments	Investment in NBP Islamic Daily Dividend Fund	18	216,294	14
Shariah-compliant bank deposits, bank balances, and TDRs	Investment made under shariah permissible arrangement TDR	19	753	600,268
Consolidated Statement of Profit or Loss and Other Comprehensive Income				
Revenue earned from a Shariah-compliant business segment during the year	Revenue earned from EPP and CPP as per contract with customer	20	4,142,607	9,665,535
Break-up of late payments or liquidated damages	Delay payment surcharge on payments over credit term	20	186,204	344,358
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates during the year	Dividend Income earned on investment in Mutual Fund	24	33,859	5,093
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs during the year	Interest income earned on investment made under shariah permissible arrangement TDR	24.1	1,715	1,786
Profit paid on Islamic mode of financing during the year	Finance cost paid on short term financing obtained from Islamic Institutions	25	180,278	191,224
Total Interest earned on any conventional loan or advance	Income on bank deposits under mark-up arrangements	24.1	6,217	5,125
Sale of scrap	Earned from Shariah compliant transactions	21	5,447	27,760

38.1 Relationship with Shariah Compliant Institutions:

The Group has an Islamic relationship with the following institutions:

- i) Faysal Bank Limited;
- ii) Al Baraka Bank Pakistan Limited;
- iii) Dubai Islamic Bank Pakistan Limited; and
- iv) Habib Bank Limited

Furthermore, the Group does not engage any Takaful operator for coverage; all relevant policies are secured through conventional insurance

39 Date of authorization for issue

These consolidated financial statements were authorized for issue on _____ by the Board of Directors of the Group.

40 Events after the reporting date

There are no other significant events that have occurred subsequent to the reporting date, other than those mentioned elsewhere in these consolidated financial statements.

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

No. of Shareholding	Shareholding		Total Shares Held
	From	To	
655	1	100	22,708
777	101	500	270,446
520	501	1,000	458,899
1,122	1,001	5,000	3,119,938
393	5,001	10,000	3,123,376
145	10,001	15,000	1,825,064
98	15,001	20,000	1,794,355
51	20,001	25,000	1,193,325
42	25,001	30,000	1,182,354
28	30,001	35,000	911,550
31	35,001	40,000	1,194,981
16	40,001	45,000	705,778
17	45,001	50,000	826,869
14	50,001	55,000	732,609
11	55,001	60,000	638,456
9	60,001	65,000	564,363
7	65,001	70,000	479,917
9	70,001	75,000	655,082
1	75,001	80,000	76,100
7	80,001	85,000	579,708
7	85,001	90,000	619,927
3	90,001	95,000	277,315
19	95,001	100,000	1,884,829
1	100,001	105,000	104,990
3	105,001	110,000	323,091
5	110,001	115,000	561,529
1	115,001	120,000	117,000
1	130,001	135,000	133,262
1	135,001	140,000	136,000
1	140,001	145,000	144,015
5	145,001	150,000	742,062
3	150,001	155,000	454,637
1	155,001	160,000	160,000
2	165,001	170,000	335,164
1	170,001	175,000	173,458
1	180,001	185,000	184,317
1	185,001	190,000	188,000
3	195,001	200,000	600,000
2	200,001	205,000	407,748
1	205,001	210,000	205,500
1	210,001	215,000	214,000
2	220,001	225,000	450,000
1	230,001	235,000	231,500
3	245,001	250,000	750,000
1	265,001	270,000	267,755
1	275,001	280,000	279,500
2	295,001	300,000	600,000
1	300,001	305,000	301,800
1	330,001	335,000	333,000

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

No. of Shareholding	Shareholding		Total Shares Held
	From	To	
1	335,001	340,000	337,000
1	375,001	380,000	379,714
1	405,001	410,000	409,750
2	445,001	450,000	900,000
2	450,001	455,000	900,196
1	455,001	460,000	458,098
1	465,001	470,000	466,631
2	495,001	500,000	1,000,000
1	550,001	555,000	550,098
1	625,001	630,000	626,549
1	650,001	655,000	651,757
1	655,001	660,000	659,170
1	665,001	670,000	665,600
1	1,155,001	1,160,000	1,156,000
1	1,175,001	1,180,000	1,175,895
1	1,495,001	1,500,000	1,500,000
1	3,385,001	3,390,000	3,389,171
1	5,695,001	5,700,000	5,700,000
1	5,795,001	5,800,000	5,800,000
1	6,255,001	6,260,000	6,256,933
1	6,595,001	6,600,000	6,599,000
1	7,900,001	7,905,000	7,902,999
1	20,855,001	20,860,000	20,856,445
1	23,480,001	23,485,000	23,481,252
1	46,100,001	46,105,000	46,100,079
4,056			169,458,614

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	58,563,950	34.5594
Associated Companies, undertakings and related parties. (Parent Company)	46,566,710	27.4797
NIT and ICP	651,757	0.3846
Banks Development Financial Institutions, Non Banking Financial Institutions.	6,611,907	3.9018
Insurance Companies	30,000	0.0177
Modarabas and Mutual Funds	49,000	0.0289
Shareholders holding 10% or more	90,437,776	53.3687
General Public		
a. Local	50,318,181	29.6935
b. Foreign	536,350	0.3165
Others (to be specified)		
- Investment Companies	626,736	0.3698
- Pension Funds	24,282	0.0143
- Others Companies	577,502	0.3408
- Joint Stock Companies	1,502,688	0.8868
- Foreign Companies	3,399,551	2.0061

CATEGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG)

AS AT JUNE 30, 2025

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise):			
1	MRS. AMBER HAROON SAIGOL W/O M. AZAM SAIGOL (CDC)	46,100,079	27.2043
2	MR. M. AZAM SAIGOL (CDC)	466,631	0.2754
Mutual Funds (Name Wise Detail)			
Directors, CEO and their Spouse and Minor Children (Name Wise):			
1	MR. M. NASEEM SAIGOL (CDC)	23,481,252	13.8566
2	MRS. SEHYR SAIGOL W/O MR. M. NASEEM SAIGOL (CDC)	7,902,999	4.6637
3	MR. FAISAL RIAZ	500	0.0003
4	MR. MUHAMMAD MURAD SAIGOL (CDC)	20,856,445	12.3077
5	MR. MUHAMMAD ZEID YOUSUF SAIGOL (CDC)	6,258,433	3.6932
6	MRS. SADAF KASHIF	500	0.0003
7	MR. MUHAMMAD OMER FAROOQ (CDC)	63,321	0.0374
8	SYED MANZAR HASSAN (CDC)	500	0.0003
Executives:			
		75	0.0000
Public Sector Companies & Corporations:			
		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:			
		6,715,189	3.9627
Shareholders holding five percent or more voting interest in the listed company (Name Wise)			
S. No.	Name	Holding	% AGE
1	MRS. AMBER HAROON SAIGOL W/O M. AZAM SAIGOL	46,100,079	27.2043
2	MR. M. NASEEM SAIGOL (CDC)	23,481,252	13.8566
3	MR. MUHAMMAD MURAD SAIGOL (CDC)	20,856,445	12.3077
All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children:			
S. No.	NAME	SALE	PURCHASE

PROXY FORM

Ledger Folio/CDC A/C No.

Shares Held

I/We _____
 of _____ being member(s) of Kohinoor Energy Limited
 hereby appoint _____
 of _____ or failing him _____
 of _____ as my/our Proxy in my/our absence to attend and vote for me/us
 and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on October 27, 2025
 (Monday) at 11:00 am at Islamabad Club, Main Murree Road, Islamabad. and/or at any adjournment thereof.
 As witness my/our hand(s) this _____ day of _____ 2025
 signed by _____
 in the presence of _____

Signed by the Said

Witness: _____

Name _____

CNIC No. _____

Address _____

Witness: _____

Name _____

CNIC No. _____

Address _____

**Revenue
Stamps
Rs. 5/-**

Notes:

A member entitled to attend and vote at this meeting may appoint a proxy. Proxies, in order to be effective, must be received at Head Office/Shares Department of the Company situated at plant site Near Tablighi Ijtima, Raiwind Bypass, Lahore not less than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

For CDC Account Holders/Corporate Entities

In addition to the above, the following requirements be met:

- (i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- (ii) In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- (iii) The proxy shall produce his original CNIC or original passport at the time of attending the meeting.

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کوہ نور انرجی لمیٹڈ

سی ڈی سی کا شراکتی آئی ڈی نمبر

--

پراکسی فارم

عام حصص بمطابق شیر رجسٹرڈ / فولیو نمبر

--

میں / ہم
ساکن
بطور کوہنوار نرجی لمیٹڈ کے رکن و حامل
ساکن
یا بصورت دیگر
ساکن
(11:00) پر اسلام آباد کلب، مین مری روڈ، اسلام آباد میں منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔
دستخط

گواہی:

5/- روپے کا
محصول ٹکٹ

.....2- دستخط

1- دستخط

.....نام

نام

• ❸

.....

..... قومی شناختی کارڈ نمبر

قومی شناختی کارڈ نمبر

..... دستخط

(دستخط کمپنی کے پاس دستخط کے نمونہ کے مطابق ہوں)

قومی شناختی کارڈ نمبر / پاسپورٹ نمبر

ضروری:

- (i) پراسیسز کے موثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہوں۔ پراسیسز کا کمپنی کارکن ہونا ضروری نہیں ہے یہی ڈی سی کے حصص یافتگان اور ان کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹر انز ڈی سی کے ساتھ کمپنی میں جمع کرائیں۔
- (ii) پراسیسز کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پارسیورٹ پیش کرنا ہوگا۔
- (iii) کارپوریٹ ایسٹبلشمنٹ کی صورت میں ڈائریکٹرز کی قرارداد یا آر آف انارنی معائنہ دفرہ کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) برا کسی فارم کے ہمراہ کمپنی کو پیش کرنے ہوں گے۔

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“ SAY NO TO CORRUPTION”

Contribution to Social Welfare

