

**POWER HOLDING LIMITED**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

## INDEPENDENT AUDITOR'S REPORT

To the members of Power Holding Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **Power Holding Limited** (the Company) which comprises the statement of financial position as at June 30, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including 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 purpose of the audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit, the 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. Other information comprises of directors' report for the year ended June 30, 2025 but doesn't include the financial statements and our auditor's report thereon.

Our opinion on the financial statements doesn't cover the other information and we don't express any form of assurance conclusion thereon.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and are in agreement with books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Companies business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.

  
**Crowe Hussain Chaudhury & Co.**  
**Chartered Accountants**

**Place: Karachi**

**Dated: November 07, 2025**

**UDIN: AR202510207XIoORQNMI**

**POWER HOLDING LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2025**

		2025	2024
	Note	-----Pak Rupees-----	
<b>NON - CURRENT ASSETS</b>			
Property and equipment	5	3,072,752	3,852,280
Long term deposits		200,000	260,500
Deferred tax asset	6	255,723	235,345
Finance facilities - principal portion receivable	7	565,217,347,269	659,646,231,408
		565,220,875,744	659,650,579,533
<b>CURRENT ASSETS</b>			
Current portion of receivables	8	94,428,884,139	23,607,221,037
Short term investment	9	800,000,000	200,000,000
Advances, prepayments and other receivables	10	112,889,971,280	128,669,210,681
Cash and bank balances	11	94,979,306	356,030,616
		208,213,834,725	152,832,462,334
		773,434,710,469	812,483,041,867
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized Capital	12	15,000,000	15,000,000
Issued, Subscribed and Paid up Capital	12	15,000,000	15,000,000
Accumulated profit		831,712,232	540,337,357
		846,712,232	555,337,357
<b>NON - CURRENT LIABILITIES</b>			
Long term financing	13	565,217,347,269	659,646,231,408
<b>CURRENT LIABILITIES</b>			
Current portion of long term financing	14	94,428,884,139	23,607,221,038
Markup accrued	15	112,754,420,862	128,594,327,306
Other payables	16	1,704,862	1,152,349
Provision for taxation		185,641,105	78,772,409
		207,370,650,969	152,281,473,102
<b>CONTINGENCIES AND COMMITMENTS</b>			
	17		
		773,434,710,469	812,483,041,867

The annexed notes, from 1 to 32, form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

**POWER HOLDING LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 -----Pak Rupees-----	2024 -----
Grant - from power sector, GOP	18	111,913,273,914	173,453,056,925
Less: Utilized for			
- Finance cost	19	111,909,803,914	173,451,926,925
- Other expenses	20	3,470,000	1,130,000
		<u>111,913,273,914</u>	<u>173,453,056,925</u>
		-	-
Other income	21	501,675,257	290,901,019
Operating cost	22	24,679,655	19,411,985
Profit for the year - before taxation		<u>476,995,602</u>	<u>271,489,034</u>
Provision for taxation	23	(185,620,727)	(84,052,867)
Net profit for the year - after taxation		<u>291,374,875</u>	<u>187,436,167</u>
Earning Per Share	24	<u>194.25</u>	<u>124.96</u>

The annexed notes, from 1 to 32, form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**



**POWER HOLDING LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024
	----- Pak Rupees -----	
Profit for the year	291,374,875	187,436,167
Other comprehensive income	-	-
Total comprehensive income for the year	<u>291,374,875</u>	<u>187,436,167</u>

The annexed notes, from 1 to 32, form an integral part of these financial statements.

  
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CHIEF EXECUTIVE OFFICER

  
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DIRECTOR

**POWER HOLDING LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Share capital	Accumulated profit	Total
	-----Pak Rupees-----		
Balance as at July 01, 2023	15,000,000	352,901,190	367,901,190
Profit for the year	-	187,436,167	187,436,167
Balance as at June 30, 2024	15,000,000	540,337,357	555,337,357
Balance as at July 01, 2024	15,000,000	540,337,357	555,337,357
Profit for the year		291,374,875	291,374,875
Balance as at June 30, 2025	15,000,000	831,712,232	846,712,232

The annexed notes, from 1 to 32, form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**



**POWER HOLDING LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

		2025	2024
	Note	Pak Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax for the year		476,995,602	271,489,034
Adjustments for non-cash and other items:			
- Grant from power sector, GOP through CPPA-G against M-Up	18	(111,909,803,914)	(173,451,926,924)
- Grant from power sector, GOP through CPPA-G against LDs		-	(31,595,820,699)
- Grant from power sector, GOP through CPPA-G against Fees	18	(3,470,000)	(1,130,000)
- Other income		(501,675,257)	(290,901,019)
- Other charges	20	3,470,000	1,130,000
- Depreciation on property and equipment	5	779,528	979,277
- Finance cost	19	111,909,803,914	173,451,926,924
- Security deposit		60,500	-
- Liquidated damages		-	31,595,820,699
		(500,835,228)	(289,921,742)
		(23,839,626)	(18,432,709)
<b>Loss for the year before working capital changes</b>			
<b>Changes in working capital:</b>			
- Short term prepayments		(240)	245
- Other payables		552,513	47,424
<b>Net changes in working capital</b>		552,273	47,669
Received from CPPA against markup		127,749,710,345	153,072,682,496
Received from CPPA-G against arrangement / trustee fee		3,470,000	1,130,000
		127,753,180,345	153,073,812,496
Finance cost paid		(127,749,710,346)	(153,072,682,495)
Trustee, arrangement and legal fee paid		(3,470,000)	(1,130,000)
Interest on bank deposit		501,675,257	290,901,019
Income tax deducted / paid		(139,439,212)	(97,349,578)
		(127,390,944,301)	(152,880,261,054)
<b>Net cash generated from operating activities</b>		338,948,690	175,166,402
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Short term investments		(600,000,000)	-
<b>Net cash used in investing activities</b>		(600,000,000)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Financing obtained during the year from banks		-	-
Receipts from Finance Division for onward payment to Banks	8.1	23,607,221,037	82,000,000,000
Paid to Banks on receipts from Finance Division	14	(23,607,221,037)	(82,000,000,000)
<b>Net cash used from financing activities</b>		-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>		(261,051,310)	175,166,402
<b>Cash and cash equivalents at beginning of the year</b>	11	356,030,616	180,864,214
<b>Cash and cash equivalents at end of the year</b>	11	94,979,306	356,030,616

The annexed notes, from 1 to 32, form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**1 LEGAL STATUS AND OPERATIONS**

Power Holding Limited ("the Company") was incorporated in Pakistan on June 24, 2009, as a private limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The status of the company was converted from private limited to public limited with effect from April 01, 2019. The company is established under the administrative control of Ministry of Energy (Power Division) and is wholly owned by the Government of Pakistan. The registered office of the company is situated at Room # 602, Shaheed-e-Millat Secretariat, Jinnah Avenue, Blue Area, Islamabad.

The company was incorporated as a result of decision by Ministry of Finance in the meeting held on May 21, 2009 under the Chairmanship of the then Advisor to the Prime Minister on Finance to remove the bank borrowings of the power sector companies (National Transmission and Despatch Company Limited (NTDC), Water and Power Development Authority (WAPDA) and Power Distribution Companies (DISCOs)) along with mark-up as a consequence of unpaid subsidies by the Government of Pakistan. The, then Prime Minister of Pakistan also granted approval for the establishment of the company solely for the purpose of facilitation and not to earn profits or undertake any other business. Thus, the company, although public limited, functions as a not for profit entity.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the 'Act'); and
- Provisions of and directives issued under the Companies Act, 2017 and State Owned Enterprises (Governance and Operations) Act 2023.

Where provisions of and directives issued under Companies Act, 2017 and State Owned Enterprises (Governance and Operations) Act 2023 differ from IFRS, the provisions of and directives issued under the Companies Act, 2017 and State Owned Enterprises (Governance and Operations) Act 2023 have been followed.

These financial statements have been prepared under the historical cost convention.

**2.3 Functional and presentational currency**

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

**2.4 Significant accounting estimates**

The preparation of financial statements in conformity with approved Accounting and Financial Reporting Standard requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, results of which form the basis of making judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Significant areas requiring the use of management estimates in the financial statements relate to property & equipment and provision for taxation.

**a) Property and equipment**

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

**b) Impairment of assets**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. Any change in estimates in future years might effect the carrying amounts of the respective assets with a corresponding effect on depreciation/ amortization charge and impairment

**c) Provisions**

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of a past event, 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. However, provisions are reviewed at each year end date and adjusted to reflect the current best estimates.

**3 INITIAL APPLICATION OF A STANDARD, AMENDMENT OR AN INTERPRETATION TO AN EXISTING STANDARD**

Standards, Amendments and interpretations to existing standards that are not yet effective and have not been early adopted by company are as follows:

	<b>Descriptions</b>	<b>Effective date</b>
IAS 21	Amendments to lack of exchangeability	Jan -01-2025
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 & 9	Jan -01-2026
IFRS 7 & 9	Contracts referencing Nature-dependent Electricity	Jan -01-2026
IFRS 1,7,9,10 & IAS 7	Annual improvements to IFRS Accounting Standards	Jan -01-2026
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July -01-2027
IFRS S2	Climate-Related Disclosures	July -01-2027

Further, the following standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan as at June 30, 2025:

- IFRS 1 First-time adoption of International Financial Reporting Standards
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

**4 MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies set out below have been applied consistently in the preparation of these financial statements:

**4.1 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, balances with bank that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**4.2 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost signifies historical cost, directly attributable cost of bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

**Depreciation**

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 5 to these financial statements, so as to write off the cost less residual value of assets over their estimated useful lives. Full month's depreciation is charged in the month of purchase and no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. Carrying amount of the replaced asset is derecognized. All other repair and maintenance, if any, is charged to statement of profit or loss during the period. The gain or loss on disposal or retirement of assets represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in statement of profit or loss.

Assets are derecognized when disposed off or when no future economic benefits are expected to flow from its use. Gains or losses on disposal of an item of Property and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property and equipment, and are recognized net within "other income" in statement of profit or loss.

**4.3 Impairment**

The Company assesses at each statement of financial position date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is charged to income.

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.

**4.4 Taxation**

**Current**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date.

**Deferred**

Deferred income tax is provided using the liability method for all temporary differences arising at the statement of financial position date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.



**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Deferred tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and tax losses can be utilized. Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

**4.5 Staff retirement benefits**

The Company does not operates any staff retirement scheme for its employees. All the employees of the company are contractual and/or hired on contingent basis. No provision for gratuity has been made by the company as at year end and therefore IAS 19 is not applicable.

**4.6 Financial instruments**

**4.6.1 Financial assets other than those due from the Government of Pakistan**

The Company classifies its financial assets in the following categories: at fair value through profit or loss and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

**a) Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

**b) Financial assets at amortized cost**

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. These comprise of loans, advances, prepayments and other receivables and cash and bank balances in the statement of financial position.

All financial assets are recognized at the time the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets except those that are carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of profit or loss. Financial assets are de-recognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Financial assets at amortized cost are measured using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of profit or loss as part of other income when the Company's right to receive payment is established. The Company applies simplified approach, as allowed under IFRS 9, for measuring expected credit losses which uses a lifetime expected loss allowance for all the financial assets. It assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**4.6.2 Financial liabilities**

All financial liabilities are recognized at the time the Company becomes a party to the contractual provisions of the instrument.

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or 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 the statement of profit or loss.

**4.6.3 Off-setting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

**4.6.4 Financial assets due from the Government of Pakistan**

Financial assets due from the Government of Pakistan include trade debts and other receivables due from CPPA, and also include accrued amounts. SECP through S.R.O. 67 (I)/2023 dated January 20, 2023 has notified that, in respect of companies holding financial assets due from the Government of Pakistan in respect of circular debt, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till December 31, 2024 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Subsequently, the exemption period has been extended by SECP till December 31, 2025. Accordingly, the same continue to be reported as per the following accounting policy:

Trade debts and other receivables are recognized initially at the invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognized in the statement of profit or loss. When a trade debt 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.

**4.7 Impairment**

**Financial assets**

As explained in note 4.6.4, amounts due from the Government of Pakistan are assessed in accordance with the provisions of IAS 39 at each reporting date to determine whether there is any objective evidence that one or more events have had a negative effect on the estimated future cash flows of these receivables.

In respect of other financial assets, the Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowances at an amount equal to lifetime ECLs. Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

**Non-financial assets**

The carrying amount of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro-rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

**4.8 Receivables**

Receivable from the power sector, GOP through CPPA-G is recognized on the basis of finance facilities availed by the Company for the purposes of funding of the repayment liabilities of the DISCOs. Other receivables are carried at original invoice amount less impairment, if any.

**4.9 Other payables**

Liabilities for amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the company or not.

**4.10 Grant from power sector, GOP through CPPA-G/ Finance Division, GOP**

Grant/receipts from the power sector, GOP through CPPA-G and Finance Division, GOP is recognized when the related markup on term finance facilities is recognized. The grant is charged to statement of profit or loss as and when due, whether received or not.

**4.11 Other income**

Profit on bank deposits is recognized on time proportion basis taking into account principal outstanding and rates of profit applicable thereon.


**4.12 Transactions with related parties**

Transactions with related parties are carried out on commercial terms and conditions.

**4.13 Provisions**

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of a past event, 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. However, provisions are reviewed at each year end date and adjusted to reflect the current best estimates.

**4.14 Borrowing costs**

 All borrowing costs are charged to profit or loss in the period in which they are incurred.

**POWER HOLDING LIMITED**  
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**5 PROPERTY AND EQUIPMENT**

**5.1 Operating fixed assets**

	Vehicles	Office equipments	Computer and equipments	Total
----- Rupees -----				
Year ended June, 30 2025				
Opening net book value	3,761,540	25,725	65,015	3,852,280
Depreciation charge	(752,308)	(7,716)	(19,504)	(779,528)
Closing net book value	3,761,540	25,725	65,015	3,072,752
At June 30, 2025				
Cost	6,881,820	221,784	771,414	7,875,018
Accumulated depreciation	(3,872,588)	(203,775)	(725,903)	(4,802,266)
Net book value	3,009,232	18,009	45,511	3,072,752
Year ended June, 30 2024				
Opening net book value	4,701,925	36,751	92,880	4,831,556
Depreciation charge	(940,385)	(11,026)	(27,865)	(979,276)
Closing net book value	4,701,925	36,751	92,880	3,852,280
At June 30, 2023				
Cost	6,881,820	221,784	771,414	7,875,018
Accumulated depreciation	(3,120,280)	(196,059)	(706,399)	(4,022,738)
Net book value	3,761,540	25,725	65,015	3,852,280
Depreciation rate (%)	20	30	30	30



**POWER HOLDING LIMITED**  
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		2025		2024	
		Pak Rupees			
	Note				
6	DEFERRED TAX ASSET				
	Deferred tax asset	6.1	255,723	235,345	
6.1	Deferred tax assets arising on account of temporary differences in:				
	Accelerated depreciation allowance		255,723	235,345	
6.2	Movement in deferred taxation				
		As at July 01, 2024	Statement of Profit or loss	Other comprehensive income	As at June 30, 2025
	Effect of deductible temporary difference				
	Accelerated depreciation allowance	235,345	20,378		255,723
		As at July 01, 2023	Statement of Profit or loss	Other comprehensive income	As at June 30, 2024
	Effect of deductible temporary difference				
	Accelerated depreciation allowance	201,472	33,873		235,345
6.3	Deferred tax on deductible temporary differences are measured at the rate of 29% (2024: 29%)				
7	FINANCE FACILITIES PRINCIPAL PORTION RECEIVABLE - NON CURRENT				
	From Power Sector, GOP and Finance Division, GOP through CPPA-G - Related Party	7.1	565,217,347,269	659,646,231,408	
			565,217,347,269	659,646,231,408	
7.1	Non - Current Principal Portion Receivable - From Power Sector, GOP				
		Opening balance as at 01-07-2024	Transferred to current portion	Receivable against fresh facility during the year	Closing balance as at 30-06-2025
	Note	Pak Rupees			
	Rs. 199.9668 billion PES-II (dd: 21-05-20)	199,966,800,000	-	-	199,966,800,000
	Rs. 200.00 billion PES-I (dd: 01-03-19)	200,000,000,000	-	-	200,000,000,000
	Rs. 115.969 billion (31-03-23)	106,305,344,445	38,656,488,880	-	67,648,855,565
	Rs. 110.283 billion (dd 31-03-23)	101,093,055,555	36,761,111,112	-	64,331,944,443
	Rs. 44.534 billion (dd 31-03-23)	40,822,698,075	14,844,617,481	-	25,978,080,594
	Rs. 12.50 billion (dd 31-03-23)	11,458,333,333	4,166,666,666	-	7,291,666,667
	7.1.1	659,646,231,408	94,428,884,139	-	565,217,347,269
7.1.1	This balance represents aggregate receivables from the power sector through Central Power Purchasing Agency (Guarantee) Limited (CPPA-G). It comprises:				
	-Rs. 200,000 million against Pakistan Energy Sukuk – I, executed by the company to fund repayment obligations of distribution companies (DISCOs).				
	-Rs. 199,966.800 million against Pakistan Energy Sukuk – II, issued for funding repayment liabilities of DISCOs. As per the decision of the ECC of the Cabinet, repayment responsibility rests with the Government of Pakistan through CPPA, and the amount is payable to Sukuk investors during FY 2029-30.				
	-Rs. 165,250.547 million against syndicated term finance facilities and syndicated Islamic term finance facilities. These were executed by the company for the purposes of funding the repayment liabilities of DISCOs / power sector.				
7.1.2	The maximum amount outstanding at any time during the month was Rs.772,400,752,278/- (2024: Rs. 811,847,879,751/-).				
		2025		2024	
		Pak Rupees			
8	CURRENT PORTION OF RECEIVABLE				
	Current portion of receivable - from Power Sector, GOP through CPPA-G	8.1	94,428,884,139	23,607,221,037	
			94,428,884,139	23,607,221,037	

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8.1 The break-up of current portion of principal receivable from Power Sector, GOP through CPPA-G is as follows:

	Opening balance as at 01-07-2024	Transferred from long term portion during the year	Receipts during the year from Finance Division	Closing balance as at 30-06-2025
Pak Rupees				
Rs. 115.969 billion (dd 31-03-23)	9,664,122,222	38,656,488,880	9,664,122,222	38,656,488,880
Rs. 110.283 billion (dd 31-03-23)	9,190,277,778	36,761,111,112	9,190,277,778	36,761,111,112
Rs. 44.534 billion (dd 31-03-23)	3,711,154,370	14,844,617,481	3,711,154,370	14,844,617,481
Rs. 12.50 billion (I) (dd 31-03-23)	1,041,666,667	4,166,666,666	1,041,666,667	4,166,666,666
	<u>23,607,221,037</u>	<u>94,428,884,139</u>	<u>23,607,221,037</u>	<u>94,428,884,139</u>

8.1.1 This represents current portion receivable from Power Sector, GOP through CPPA-G following the Cabinet decision (Cabinet Case No. 135/35/2025), against syndicated term finance facilities, syndicated Islamic term finance facilities and Pakistan Energy Sukuk - I (hereinafter referred to as PES-I) as disclosed in note 14. The facilities were executed by the company for the purposes of funding the repayment liabilities of the DISCOs / power sector.

During FY 2024-25, Rs. 23.607 billion (FY 2023-24: Rs. 82.00 billion) were allocated by Finance Division in federal budget for principal repayment of PHIL finance facilities. The funds were released by the Finance Division during the year under review for repayment of one principal instalment payable against Rs. 283.286 billion facility as stated in note 14.

	Note	2025 Pak Rupees	2024
<b>9 SHORT TERM INVESTMENT</b>			
Term Deposit Receipt (TDR) - At amortized cost	9.1	<u>800,000,000</u>	<u>200,000,000</u>
9.1 Profit rate on TDR is 10% deposited for three months on profit and loss sharing basis, subject to the rules and regulations of bank in force, governing PLS Term Deposits.			
<b>10 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Advance income tax	10.1	<u>135,462,546</u>	<u>74,795,742</u>
Prepayments		<u>87,872</u>	<u>87,632</u>
Mark-Up Receivable - From Power Sector, GOP Through CPPA-G	10.2	<u>112,754,420,862</u>	<u>128,594,327,307</u>
		<u>112,889,971,280</u>	<u>128,669,210,681</u>
<b>10.1 Advance income tax</b>			
Balance at the beginning of the year		<u>74,795,742</u>	<u>35,529,975</u>
Income tax withheld/Advance income tax u/s 147 paid during the year		<u>135,462,546</u>	<u>74,795,742</u>
		<u>210,258,288</u>	<u>110,325,717</u>
Less: Adjusted against tax liability		<u>74,795,742</u>	<u>35,529,975</u>
Balance at the end of the year	10.1.1	<u>135,462,546</u>	<u>74,795,742</u>
<b>10.1.1 The Income tax withheld/Advance income tax u/s 147 paid during the year</b>			
Tax deposited u/s 147		<u>60,211,372</u>	<u>31,160,589</u>
Tax deducted u/s 151 on profit on bank deposits		<u>75,251,174</u>	<u>43,635,153</u>
		<u>135,462,546</u>	<u>74,795,742</u>
<b>10.2 Mark-Up Receivable - From Power Sector, GOP Through CPPA-G</b>			
Rs. 200.00 billion PES-I (dd: 01-03-19)		<u>8,436,383,562</u>	<u>15,061,150,689</u>
Rs. 199.9668 billion PES-II (dd: 21-05-20)		<u>2,535,962,523</u>	<u>4,755,210,504</u>
Rs. 115.969 billion (31-03-23)		<u>3,715,701,426</u>	<u>6,579,619,580</u>
Rs. 110.283 billion (dd 31-03-23)		<u>3,533,515,759</u>	<u>6,257,012,300</u>
Rs. 82.00 billion (dd: 10-09-12)		<u>92,705,473,424</u>	<u>92,705,473,425</u>
Rs. 44.534 billion (dd 31-03-23)		<u>1,426,879,884</u>	<u>2,526,663,404</u>
Rs. 12.50 billion (I) (dd 31-03-23)		<u>400,504,284</u>	<u>709,197,405</u>
		<u>112,754,420,862</u>	<u>128,594,327,307</u>

This represents corresponding receivable from power sector, GOP through CPPA against mark-up payable in respect of syndicated term finance facilities, syndicated Islamic term finance facilities, Pakistan Energy Sukuk - I (hereinafter referred to as PES-I) and Pakistan Energy Sukuk - II (hereinafter referred to as PES-II) as disclosed in note 15.

	Note	2025 Pak Rupees	2024
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		-	-
Cash at bank:			
Current accounts		<u>5,993</u>	<u>5,993</u>
Saving accounts	11.1	<u>94,973,313</u>	<u>356,024,623</u>
		<u>94,979,306</u>	<u>356,030,616</u>
		<u>94,979,306</u>	<u>356,030,616</u>

11.1 This carries effective markup rate of 11.25% per annum (2024: 19.15%).

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	Note	2025 -----Pak Rupees-----	2024
<b>12 SHARE CAPITAL</b>			
<b>Authorized Capital</b>			
1,500,000 (2024: 1,500,000) ordinary shares of Rs. 10 each.		15,000,000	15,000,000
<b>Issued, Subscribed and Paid up Capital</b>			
1,500,000 (2024: 1,500,000) ordinary shares of Rs. 10 each paid in cash		15,000,000	15,000,000
All ordinary shares rank equally with regard to voting power and company's residual assets.			

**13 LONG TERM FINANCING**

	Note	Opening balance as at 01-07-2024	Transferred to current portion during the year	Financing obtained during the year	Closing balance as at 30-06-2025
		-----Pak Rupees-----			
Conventional facilities	13.1	205,513,514,438	74,732,187,056	-	130,781,327,382
Islamic facilities	13.2	454,132,716,970	19,696,697,083	-	434,436,019,887
		659,646,231,408	94,428,884,139	-	565,217,347,269

**13.1 Conventional facilities**

**From banking companies- secured:**

Rs. 115.969 billion (Rs. 103.046 billion) - HBL	13.1.1	94,458,871,918	34,348,680,688	-	60,110,191,230
Rs. 110.283 billion (Rs. 76.617 billion) - ABL	13.1.2	70,231,944,445	25,538,888,888	-	44,693,055,557
Rs. 44.534 billion - NBP	13.1.3	40,822,698,075	14,844,617,480	-	25,978,080,595
		205,513,514,438	74,732,187,056	-	130,781,327,382

- 13.1.1** This represents conventional portion of Rs. 115.969 billion, HBL- led, syndicated term finance facility executed on 31-03-2023 for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first instalment period and subsequently one day prior to each instalment period for markup due to the end of that quarter. However, in case instalment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised to fund repayment of liabilities of the DISCOs towards CPPA and disbursement proceeds from the subject facility is utilized for settlement of outstanding principal portion of (i) Rs. 136.454 billion term finance facility, (ii) Rs. 50.00 billion (1st tranche) term finance facility and (iii) Rs. 50.00 billion (2nd tranche) term finance facility. Previously, responsibility for repayment against principal portion of the subject facility rests with the finance division while power sector was responsible for repayment of mark-up// profit, arrangement fee, trustee fee, legal fee and any other amounts becoming due and payable in respect of the facility. Now, pursuant to the Cabinet decision, the responsibility has been transferred from the finance division and the power sector to CPPA-G as discussed in note 30 to the financial statements.

- 13.1.2** This represents conventional portion of Rs. 110.283 billion, ABL - led, syndicated term finance facility executed on 31-03-2023 for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first instalment period and subsequently one day prior to each instalment period for markup due to the end of that quarter. However, in case instalment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of DISCOs towards CPPA and disbursement proceeds from the facility is utilized for settlement of outstanding principal portion of (i) Rs. 80.00 billion term finance facility, (ii) Rs. 41.00 billion term finance facility, (iii) Rs. 30.95 billion term finance facility and (iv) Rs. 30.00 billion term finance facility. Previously, responsibility for repayment against principal portion of the subject facility rests with the finance division while power sector was responsible for repayment of mark-up// profit, arrangement fee, trustee fee, legal fee and any other amounts becoming due and payable in respect of the facility. Now, pursuant to the Cabinet decision, the responsibility has been transferred from the finance division and the power sector to CPPA-G as discussed in note 30 to the financial statements.

- 13.1.3** This represents Rs. 44.534 billion, NBP - led, syndicated term finance facility executed on 31-03-2023 for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first instalment period and subsequently one day prior to each instalment period for markup due to the end of that quarter. However, in case instalment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards CPPA and disbursement proceeds from the subject facility is utilized for settlement of outstanding principal portion of (i) Rs. 41.457.00 billion term finance facility and (ii) Rs. 35.806 billion term finance facility. Previously, responsibility for repayment against principal portion of the subject facility rests with the finance division while power sector was responsible for repayment of mark-up// profit, arrangement fee, trustee fee, legal fee and any other amounts becoming due and payable in respect of the facility. Now, pursuant to the Cabinet decision, the responsibility has been transferred from the finance division and the power sector to CPPA-G as discussed in note 30 to the financial statements.

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		Opening balance as at 01-07-2024	Transferred to current portion during the year	Financing obtained during the year	Closing balance as at 30-06-2025
	Note	Pak Rupees			
<b>13.2</b>	<b>Islamic facilities from banking companies - secured</b>				
	Rs. 200.00 billion PES-I - MBL	13.2.1	200,000,000,000	-	200,000,000,000
	Rs. 199.9668 billion PES-II - MBL	13.2.2	199,966,800,000	-	199,966,800,000
	Rs. 115.969 billion (Rs. 12.923 bln) - HBL	13.2.3	11,846,472,527	4,307,808,192	7,538,664,335
	Rs. 110.283 billion (Rs. 33.667 bln) - ABL	13.2.4	30,861,111,110	11,222,222,225	19,638,888,885
	Rs. 12.50 billion - MBL	13.2.5	11,458,333,333	4,166,666,666	7,291,666,667
			<b>454,132,716,970</b>	<b>19,696,697,083</b>	<b>434,436,019,887</b>

**13.2.1** This represents privately placed sukuk issued as a redeemable capital instrument under section 66 of the companies act, 2017 based on Ijarah (sale and lease back arrangement) against unencumbered assets comprising of land in usable form owned by IESCO, LESCO, GEPCO, MEPCO, PESCO, FESCO, NPGCL, and CPGCL. The sukuk was issued on 01-03-2019 for ten (10) years, redeemable in bullet at the expiry of the tenor on profit/rental basis at six months KIBOR plus 2.00% prevailing on issue date for first instalment period and subsequently one day prior to each instalment period for the profit due to the end of that semi-annual. However, in case profit payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to rebate of 1.20%. The financing is repayable by March 2029 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan, creation of security interest/charge over the underlying transaction assets in favor of the Investors and tri-partite escrow arrangement between the PHL, MBL and CPPA.

The sukuk is issued for funding repayment of liabilities of the DISCOs towards CPPA for onward payment to GENCOs and IPPs. Now, pursuant to the Cabinet decision, the responsibility has been transferred from the finance division and the power sector to CPPA-G as discussed in note 30 to the financial statements.

**13.2.2** This represents privately placed sukuk issued as a redeemable capital instrument under section 66 of the companies act, 2017 based on Ijarah (sale and lease back arrangement) against unencumbered assets comprising of land in usable form owned by IESCO, LESCO, QESCO, GEPCO, HESCO, MEPCO, PESCO, FESCO, SEPCO, and TESCO. The sukuk was issued on 21-05-2020 for ten (10) years, redeemable in bullet at the expiry of the tenor on profit/rental basis at six months KIBOR minus 0.10% prevailing on issue date for first instalment period and subsequently one day prior to each instalment period for the profit due to the end of that semi-annual. The financing is repayable by May 2030 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan, creation of security interest/charge over the underlying transaction assets in favor of the Investors and tri-partite escrow arrangement between the PHL, MBL and CPPA.

The sukuk is issued for funding repayment of liabilities of the DISCOs towards CPPA for onward payment to GENCOs and IPPs. Now, pursuant to the Cabinet decision, the responsibility has been transferred from the finance division and the power sector to CPPA-G as discussed in note 30 to the financial statements.

**13.2.3** This represents Islamic portion of Rs. 115.969 billion, HBL- led, syndicated term finance facility executed on 31-03-2023 for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first instalment period and subsequently one day prior to each instalment period for markup due to the end of that quarter. However, in case instalment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for funding repayment of liabilities of the DISCOs towards CPPA and disbursement proceeds from the subject facility is utilized for settlement of outstanding principal portion of (i) Rs. 136.454 billion term finance facility, (ii) Rs. 50.00 billion (1st tranche) term finance facility and (iii) Rs. 50.00 billion (2nd tranche) term finance facility. Now, pursuant to the Cabinet decision, the responsibility has been transferred from the finance division and the power sector to CPPA-G as discussed in note 30 to the financial statements.

**13.2.4** This represents Islamic portion of Rs. 110.283 billion, ABL - led, syndicated term finance facility executed on 31-03-2023 for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first instalment period and subsequently one day prior to each instalment period for markup due to the end of that quarter. However, in case instalment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of DISCOs towards CPPA and disbursement proceeds from the facility is utilized for settlement of outstanding principal portion of (i) Rs. 80.00 billion term finance facility, (ii) Rs. 41.00 billion term finance facility, (iii) Rs. 30.95 billion term finance facility and (iv) Rs. 30.00 billion term finance facility. Now, pursuant to the Cabinet decision, the responsibility has been transferred from the finance division and the power sector to CPPA-G as discussed in note 30 to the financial statements.

**13.2.5** This represents Rs. 12.50 billion, MBL - led, syndicated term finance facility executed on 31-03-2023 for five (05) years, inclusive of grace period of twenty four (24) months from the date of first disbursement, on markup basis at daily average of three months KIBOR plus 1.20% prevailing on issue date for first instalment period and subsequently one day prior to each instalment period for markup due to the end of that quarter. However, in case instalment payments are made on due dates or maximum within 30 days after due date, then PHL is entitled to rebate of 0.60%. The financing is repayable by March, 2028 and is secured by unconditional, irrevocable first demand and continuing guarantee of the Government of Pakistan.

The facility is raised for purposes of funding repayment of liabilities of the DISCOs towards CPPA and disbursement proceeds from the subject facility is utilized for settlement of outstanding principal portion of Rs. 25.00 billion Islamic term finance facility. Now, pursuant to the Cabinet decision, the responsibility has been transferred from the finance division and the power sector to CPPA-G as discussed in note 30 to the financial statements.



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**14 CURRENT PORTION OF LONG TERM FINANCING**

		Opening balance as at 01-07-2024	Transferred from long term portion (Note - 13)	Payments during the year	Closing Balance as at 30-06-2025
	Note	-----Pak Rupees-----			
Conventional facilities	14.1	18,683,046,766	74,732,187,056	18,683,046,766	74,732,187,056
Islamic Facilities	14.2	4,924,174,271	19,696,697,083	4,924,174,271	19,696,697,083
		<b>23,607,221,037</b>	<b>94,428,884,139</b>	<b>23,607,221,037</b>	<b>94,428,884,139</b>

**14.1 Conventional facilities**

Rs. 115.969 billion (Rs. 103.046 billion) - HBL	8,587,170,174	34,348,680,688	8,587,170,173	34,348,680,689
Rs. 110.283 billion (Rs. 76.617 billion) - ABL	6,384,722,222	25,538,888,888	6,384,722,222	25,538,888,888
Rs. 44.534 billion - NBP	3,711,154,370	14,844,617,480	3,711,154,371	14,844,617,479
	<b>18,683,046,766</b>	<b>74,732,187,056</b>	<b>18,683,046,766</b>	<b>74,732,187,056</b>

**14.2 Islamic Facilities**

	Opening balance as at 01-07-2024	Transferred from long term portion (Note - 13)	Payments during the year	Closing Balance as at 30-06-2025
	-----Pak Rupees-----			
Rs. 115.969 billion (Rs. 12.923 billion) - HBL	1,076,952,048	4,307,808,192	1,076,952,048	4,307,808,192
Rs. 110.283 billion (Rs. 33.667 billion) - ABL	2,805,555,556	11,222,222,225	2,805,555,556	11,222,222,225
Rs. 12.50 billion - MBL	1,041,666,667	4,166,666,666	1,041,666,667	4,166,666,666
	<b>4,924,174,271</b>	<b>19,696,697,083</b>	<b>4,924,174,271</b>	<b>19,696,697,083</b>

**15 MARKUP ACCRUED**

	Note	2025 -----Pak Rupees-----	2024
Markup / interest accrued on conventional facilities	15.1	99,888,808,023	105,425,442,967
Profit accrued on Islamic facilities	15.2	12,865,612,839	23,168,884,339
		<b>112,754,420,862</b>	<b>128,594,327,306</b>

Pursuant to the decision of the ECC of the Cabinet, power sector is responsible for repayment of mark-up payable in respect of the PHL facilities as detailed in note -13 & 14 above. During the year PHL has been able to make timely mark-up payments within 30 days of the due dates on all the facilities and consequently rebate has been availed on every mark-up instalment. No overdue mark-up is outstanding as at the reporting date except as stated in note 15.1.1.

**15.1 Markup / interest accrued on conventional facilities**

Rs. 115.969 billion (Rs. 103.046 billion) - HBL	3,301,630,479	5,846,398,847
Rs. 110.283 billion (Rs. 76.617 billion) - ABL	2,454,824,238	4,346,907,291
Rs. 82.00 billion - OGDCL PPTFCs	92,705,473,424	92,705,473,425
Rs. 44.534 billion - NBP	1,426,879,882	2,526,663,404
	<b>99,888,808,023</b>	<b>105,425,442,967</b>

**15.1.1** The outstanding markup of Rs. 92.705 billion pertains to the privately placed term finance certificates (PPTFCs) issued to OGDCL on 10-09-2012. Although the principal portion of Rs. 82.00 billion was fully settled during FY 2023-24 through budgetary allocation and release of funds by the Finance Division, the accrued and overdue markup accumulated until the settlement of principal remains outstanding as of June 30, 2025.

In accordance with the decision of the ECC of the Cabinet and the first addendum to the investor agreement dated 05-09-2012, the said markup has been formally rescheduled and is now payable in 12 equal monthly instalments commencing from 25th July 2025. This rescheduling was implemented following the rollover of the facility until 30-06-2024 to address overdue principal, accrued markup, and applicable liquidated damages.

**15.2 Profit accrued on Islamic facilities**

Rs. 200.00 billion PES-I - MBL	8,436,383,562	15,061,150,689
Rs. 199.9668 billion PES-II - MBL	2,535,962,524	4,755,210,503
Rs. 115.969 billion (Rs. 12.923 billion) - HBL	414,070,949	733,220,733
Rs. 110.283 billion (Rs. 33.667 billion) - ABL	1,078,691,520	1,910,105,009
Rs. 12.50 billion - MBL	400,504,284	709,197,405
	<b>12,865,612,839</b>	<b>23,168,884,339</b>

**16 OTHER PAYABLES**

	Note	2025 -----Pak Rupees-----	2024
Accrued liabilities	16.1	1,604,862	1,052,349
Payable to CPPA-G against Pakistan Energy Sukuk - I CDC Security		100,000	100,000
		<b>1,704,862</b>	<b>1,152,349</b>

**16.1** Accrued liabilities mainly include Auditor's remuneration, Shania Advisor charges payable, and vehicle maintenance payable.

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**17 CONTINGENCIES AND COMMITMENTS**

There are no other contingencies and commitments at the date of statement of financial position except guarantees from Government of Pakistan furnished to financial institutions from whom financing facilities have been raised as explained in note 13.

**18 GRANT - FROM POWER SECTOR, GOP THROUGH CPPA**

This represents grant from Power sector, Government of Pakistan through CPPA recognized against (i) markup/profit payable, (ii) trustee fee, (iii) arrangement fee, (iv) legal charges and (v) liquidated damages charged during the year as detailed in note-18 & 19 in respect of financing facilities availed by the company from banking companies, OGDCL and Sukuk Investors.

	2025	2024
	-----Pak Rupees-----	
Grant against markup / profit on financing facilities	111,909,803,914	173,451,926,925
Grant against trustee fee, arrangement fee and legal	3,470,000	1,130,000
	<u>111,913,273,914</u>	<u>173,453,056,925</u>

The Government of Pakistan has imposed FCS @ Rs. 3.23 per unit at DISCO level for servicing of mark-up and other costs payable in respect of finance facilities executed by the company. Pursuant to the decision of the ECC of the Cabinet, repayment responsibility of servicing of PHL debt rests with Power Sector. As explained in the Summary of significant accounting policies, grant is recognized in the statement of profit or loss when related mark-up expense, trustee fee, arrangement fee, legal fee or liquidated damages is recognized.

**19 FINANCE COST**

Markup on conventional financing facilities	19.1	35,391,092,750	70,800,454,598
Profit on Islamic financing facilities	19.2	76,518,711,164	102,651,472,327
		<u>111,909,803,914</u>	<u>173,451,926,925</u>

**19.1 Markup on conventional facilities:**

Rs. 115.969 billion (Rs 103.046 billion - C)	16,260,617,580	23,579,819,242
Rs. 110.283 billion (76.617 billion C)	12,090,074,413	17,532,038,244
Rs 82.00 billion	-	19,498,004,932
Rs. 44.534 billion	7,027,421,231	10,190,592,181
Rs. 7.487 billion	12,979,526	-
	<u>35,391,092,750</u>	<u>70,800,454,598</u>

**19.2 Markup / interest on Islamic facilities:**

Rs. 200.00 billion PES-I	34,646,630,137	46,092,054,798
Rs. 199.9668 billion PES-II	32,547,692,076	43,037,950,404
Rs. 115.969 billion (Rs 12.923 billion - I)	2,039,310,395	2,957,241,339
Rs. 110.283 billion (33.667 billion I)	5,312,584,362	7,703,875,844
Rs. 12.50 billion (I)	1,972,494,194	2,860,349,942
	<u>76,518,711,164</u>	<u>102,651,472,327</u>

**20 OTHER EXPENSES**

Trustee fee	3,470,000	1,130,000
	<u>3,470,000</u>	<u>1,130,000</u>

**21 OTHER INCOME**

**Financial Assets**

Profit on N.I.D.A No. 000063 (NBP B-Block Branch, Islamabad)	52,103,124	5,353,241
Profit on N.I.D.A No. 3148981107 (NBP Super Market Branch, Islamabad)	449,424,308	285,059,830
Profit on PES-I & PES-II escrow accounts	147,063	487,948

**Non-Financial Assets**

Miscellaneous income	762	-
	<u>501,675,257</u>	<u>290,901,019</u>

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		2025	2024
		-----Pak Rupees-----	
<b>22 OPERATING COST</b>			
Salaries and other benefits	22.1	15,472,662	10,532,914
Director's fee		850,000	850,000
Legal and professional		1,145,000	1,016,000
Insurance		277,248	277,734
Travelling & conveyance		45,055	27,350
Vehicles' running and maintenance		1,793,196	1,526,284
Entertainment		46,369	65,481
Auditors' remuneration	22.2	741,600	678,600
Electricity		151,535	205,942
Communication		79,640	83,278
Printing and stationery		62,057	94,629
Repair and maintenance		5,790	52,740
Fee and subscription		3,201,825	3,007,199
Depreciation	5	779,528	979,276
Bank charges and commission		4,800	6,858
Miscellaneous		23,350	7,700
		<u>24,679,655</u>	<u>19,411,985</u>
<b>22.1</b>	Salaries and other benefits includes remuneration and allowances including all benefits to the chief executive, directors and other executives of the company. Further details are provided in Note-29.		
<b>22.2</b>	Auditors' remuneration		
Professional fee		693,000	630,000
Out of pocket expenses		48,600	48,600
		<u>741,600</u>	<u>678,600</u>
<b>23 PROVISION FOR TAXATION</b>			
Current Year			
Current		176,514,371	78,772,409
Deferred		(20,378)	(33,873)
		<u>176,493,993</u>	<u>78,738,536</u>
Prior Years		9,126,734	5,314,331
		<u>185,620,727</u>	<u>84,052,867</u>
<b>24 EARNING PER SHARE (BASIC AND DILUTED)</b>			
Profit for the year (Rupees)		291,374,875	187,436,167
Shares outstanding during the year (Number)		1,500,000	1,500,000
Earnings per share (Rupees)		<u>194.25</u>	<u>124.96</u>

No figures for diluted earnings per share has been presented as the company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

	2025	2024
	-----Number-----	
<b>25 NUMBER OF EMPLOYEES</b>		
Number of employees at the year end	6	6
Average number of employees at the year end	6	6
<b>26 FINANCIAL RISK MANAGEMENT</b>		

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors have overall responsibility for establishment and oversight of the Company's risk management framework and policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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**26.1 Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating and financing activities including deposits with bank. The Company's credit risk exposure are categorized under the following headings:

**26.1.1 Counterparties**

The Company conducts transactions with the following major types of counterparties:

**Government of Pakistan**

The Company has major receivables from GOP related entities and Company does not expect any threat to its recoverability.

**Banks**

The Company limits its exposure to credit risk by maintaining bank accounts only with counterparties that have a credit rating of at least A1 and A. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

	Rating	Agency	2025	2024
			-----Pak Rupees-----	
Meezan Bank Limited	Long Term AAA	VIS	1,635,719	1,510,716
	Short Term A1+	VIS		
National Bank of Pakistan	Long Term AAA	PACRA	93,343,587	354,519,900
	Short Term A1+	PACRA		
			<u>94,979,306</u>	<u>356,030,616</u>

**26.1.2 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:

	2025	2024
	-----Pak Rupees-----	
Long term deposits	200,000	260,500
Bank balances	<u>94,979,306</u>	<u>356,030,616</u>
	<u>95,179,306</u>	<u>356,291,116</u>

After giving due consideration to their strong financial standing the Company believes that no impairment allowance is necessary in respect of deposits, receivable from the Government of Pakistan related entities and other receivables as the Company is satisfied that recovery of the amount owing is possible. Accordingly the credit risk is minimal.

**26.2 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Management believes the liquidity risk to be low because of the government guarantee issued by the Ministry of Finance to honor the commitments. Following are the contractual maturities of financial liabilities, including interest payments.

The maturity profile of the Company's financial liabilities based on the contractual amounts are as follows:

	Carrying Amount	Less than one year	Later than one year but not later than five years
	-----Pak Rupees-----		
<b>30th June, 2025</b>			
Long term financing	659,646,231,408	94,428,884,139	565,217,347,269
Other payables	1,704,862	1,704,862	-
Markup accrued	<u>112,754,420,862</u>	<u>112,754,420,862</u>	<u>-</u>
	<u>772,402,357,132</u>	<u>207,185,009,863</u>	<u>565,217,347,269</u>
<b>30th June, 2024</b>			
Long term financing	683,253,452,445	23,607,221,037	659,646,231,408
Other payables	1,152,349	1,152,349	-
Markup accrued	<u>128,594,327,306</u>	<u>128,594,327,306</u>	<u>-</u>
	<u>811,848,932,101</u>	<u>152,202,700,692</u>	<u>659,646,231,408</u>

**26.3 Market risk**

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

**26.3.1 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 as all of its transactions are in local currency and no foreign currency receivables and payables exists at the balance sheet date.



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**26.3.2 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 instrument traded in the market. The Company is not exposed to other price risk.

**26.3.3 Interest rate risk**

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

The Company's exposure to markup rate risk relates primarily to redeemable capital in the form of syndicated loans and Sukuk bonds. These are obtained at variable rates expose the Company to cash flow markup rate risk. The Company is maintaining a Saving Account on which profit rate is 6.50% which is the only interest-bearing asset.

**Profile**

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

	2025	2024
	Pak Rupees	
<b>Financial assets</b>		
Bank balance	94,973,313	356,024,623
<b>Financial liabilities</b>		
Floating rate instruments:		
Long term loans - secured	565,217,347,269	659,646,231,408
Current portion long term loans	94,428,884,139	23,607,221,037
	659,646,231,408	683,253,452,445
<b>Markup rate sensitivity analysis</b>	6,596,462,314	6,832,534,524

Sensitivity to markup rate risk arises from mismatches of financial assets and liabilities that mature in a given period. If interest rates at the year end date, fluctuates by 1% higher/ lower with all other variables held constant, mark up expense for the year would have been Rs. 6.596 billion (2024: Rs 6.832 billion) higher/ lower, mainly as a result of higher/ lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liability outstanding at balance sheet date was outstanding for the whole period.

**26.3.4 Financial instruments by categories**

	2025	2024
	Pak Rupees	
<b>Financial assets as per statement of financial position</b>		
<b>At amortized cost</b>		
Finance facilities - principal portion receivable	565,217,347,269	659,646,231,408
Current portion of receivables	94,428,884,139	23,607,221,037
Cash and bank balances	94,979,306	356,030,616
	659,741,210,714	683,609,483,061
<b>Financial liabilities as per statement of financial position</b>		
<b>At amortized cost</b>		
Long term financing	565,217,347,269	659,646,231,408
Current portion of long term financing	94,428,884,139	23,607,221,038
Markup accrued	112,754,420,862	128,594,327,306
Other payables	1,704,862	1,152,349
	772,402,357,132	811,848,932,101

**26.3.5 Fair values of financial instruments**

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arms length transactions. The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values.

**Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.
- Level 2 The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no financial instruments held by the Company which are measured at fair value as of June 30, 2025 and June 30, 2024.

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		Original carrying amount			Fair value			
		Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Notes								
On-Statement of financial position - financial instruments								
As at June 30, 2025								
Financial assets at amortized cost								
	Financial facilities - Principal portions receivable	70.8	659,646,231,428	-	659,646,231,428	-	-	-
	Long term deposits	13	207,700	-	207,700	-	-	-
	Short term investment	14	800,000,000	-	800,000,000	-	-	-
	Advances, prepayments and other receivables	16	112,889,971,289	-	112,889,971,289	-	-	-
	Cash and bank balances	17	94,979,026	-	94,979,026	-	-	-
			773,451,381,994	-	773,451,381,994	-	-	-
Financial liabilities at amortized cost								
	Long term financing	14	-	659,646,231,428	659,646,231,428	-	-	-
	Liability accrued	15	-	112,794,420,862	112,794,420,862	-	-	-
	Other payables	16	-	1,704,862	1,704,862	-	-	-
			-	772,441,357,152	772,441,357,152	-	-	-

		Original carrying amount			Fair value			
		Financial assets at amortized cost	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Note								
On-Statement of financial position - financial instruments								
As at June 30, 2024								
Financial assets at amortized cost								
Finance facilities - Principal portions receivable	70.8	683,253,452,445	-	683,253,452,445	-	-	-	-
Long term deposits	11	262,000	-	262,000	-	-	-	-
Short term investment	14	200,000,000	-	200,000,000	-	-	-	-
Advances, prepayments and other receivables	16	128,609,210,681	-	128,609,210,681	-	-	-	-
Cash and bank balances	17	356,071,616	-	356,071,616	-	-	-	-
		812,478,954,242	-	812,478,954,242	-	-	-	-
Financial liabilities at amortized cost								
Long term financing	14	-	683,253,452,445	683,253,452,445	-	-	-	-
Liability accrued	15	-	120,594,327,306	120,594,327,306	-	-	-	-
Other payables	16	-	1,152,349	1,152,349	-	-	-	-
		-	804,948,132,100	804,948,132,100	-	-	-	-

## 26.4 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements. The Company monitors capital using a gearing ratio, which is net debt divided by total capital employed. Net debt is calculated as long term financing. Total capital employed signifies equity as shown in statement of financial position plus net debt.

	2025	2024
	Pak Rupees	
The proportion of debt to equity at the year end was:		
Long term financing	659,646,231,408	683,253,452,446
Net debt	659,646,231,408	683,253,452,446
Share capital	15,000,000	15,000,000
Reserves	831,712,232	540,337,357
Total equity	846,712,232	555,337,357
Total capital employed	660,492,943,639	683,808,789,803
Gearing ratio	100%	100%

## 27 RELATED PARTIES TRANSACTIONS

Related parties comprise of associated undertakings and key management personnel. Following are the associated companies and related parties with whom the Company had entered into transactions during the year:

	Basis of Relationship	Number of shares held in the Company	Aggregate %age shareholding in the Company
Central Power Purchasing Agency (CPPA)	Federal Government Owned	N/A	N/A
Ministry of Finance	Federal Government Owned	N/A	N/A

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**27.1 Transactions with related parties**

The transactions with related parties are made under commercial terms and conditions. The remuneration of the chief executive, directors and executives is disclosed in note 29 to these financial statements. Transactions during the year and balances as at year end with the related parties are as follows:

	Note	2025 -----Pak Rupees-----	2024
<b>Transactions during the year are as follows:</b>			
<b>Central Power Purchasing Agency (CPPA)</b>			
Grant against markup / profit on financing facilities	18	111,909,803,914	173,451,926,925
Grant against trustee fee, arrangement fee and legal	18	3,470,000	1,130,000
<b>Balances as at year end are as follows:</b>			
<b>Power Sector through Central Power Purchasing Agency (CPPA)</b>			
Receivable in respect of principal amount of loan - Non current	7	565,217,347,269	659,646,231,408
Receivable in respect of principal amount of loan - Current	8	94,428,884,139	23,607,221,037
Amount receivable against markup	8	112,754,420,862	128,594,327,307
Payable to CPPA-G against Pakistan Energy Sukuk - I, CDC Security		100,000	100,000

The above stated parties are related to the company merely by way of Government holding.

**28 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES**

Balance as at 01 July	683,253,452,445	765,253,452,446
New Financing obtained	-	-
Repayment of financing	(23,607,221,037)	(82,000,000,000)
Balance as at 30 June	659,646,231,408	683,253,452,446

**29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

The aggregate amount charged in these financial statements in respect of remuneration and allowances including all benefits to the chief executive, directors and other executives of the company are given below:

	2025		
	Numbers	Salaries	Fee/Allowances
Chief Executive	1	-	-
Directors' Meeting Fee	5	-	850,000
Executive	1	7,686,528	240,000
		7,686,528	1,090,000
	2024		
	No.	Salaries	Fee/Allowances
Chief Executive	1	-	-
Directors' Meeting Fee	5	-	850,000
Executive	1	6,320,032	240,000
		6,320,032	1,090,000

The chief executive officer and executive is also provided with company maintained cars.

**30 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangements or reclassifications have been made except:

**Reclassification of Prepayments, Markup receivable and Advance income tax into Advances, prepayments and other receivables**

During the year, the company has reclassified prepayments and advance income tax from the face of the statement of financial position into Advances, Prepayments, and Other Receivables. Further, markup receivable has also been reclassified from current portion of receivable to Advances, Prepayments

**Reclassification of Term Deposit Receipts (TDRs) from Cash and Cash Equivalents to Short-Term Investments**

During the current year, the Company has reclassified certain balances previously included under Cash and Cash Equivalents to Short-Term Investments to more appropriately reflect the nature of the instruments. Specifically, Term Deposit Receipts (TDRs) with original maturities of three months, amounting to Rs. 200 million as at the end of the previous year, were reclassified from Cash and Cash Equivalents to Short-Term Investments. Accordingly, the corresponding figures have been restated to conform with the current year's presentation. This reclassification has no impact on the profit or net assets reported in the prior year.

**POWER HOLDING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**Transfer of Receivables and Settlement of Liabilities through CPPA-G Pursuant to Cabinet Decision**

During the year, the Federal Cabinet approved a comprehensive circular debt stock clearance plan for the power sector, including the restructuring and settlement of Power Holding Limited's (PHL) outstanding obligations.

As per Clause 10(h) of the Cabinet decision dated 18 June 2025 (Cabinet Case No. 135/35/2025), Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) has been authorized to utilize proceeds raised through bank financing to settle and retire PHL's total outstanding debt obligations amounting to Rs. 683.253 billion out of which 23.607 billion has been paid in 2025.

**Impact on Financial Statements:**

**1. Historical Treatment of Borrowings:**

PHL has historically raised funds through various financing instruments, including:

- Pakistan Energy Sukuk-I (PES-I) — Receivable from the Finance Division
- Pakistan Energy Sukuk-II (PES-II) — Receivable from the power sector through CPPA-G
- Syndicated Term Finance Facilities — Receivable from the Finance Division

These borrowings were utilized to settle liabilities of distribution companies (DISCOs) and were recorded as receivables from the Government of Pakistan, primarily through the Finance Division, in accordance with the original terms of the financing arrangements. PES-II, however, was structured to be recovered directly from the power sector entities via CPPA-G.

**2. Transfer of Settlement Responsibility:**

Following the Cabinet decision, the responsibility for repayment of PHL's total outstanding debt amounting to Rs. 459.679 billion has been transferred from the Finance Division and the power sector to CPPA-G, which has been tasked with raising new bank financing for this purpose under the circular debt resolution framework.

As of 30 June 2025, PHL's financial statements include:

- A non-current receivable from the Finance Division amounting to Rs. 365.250 billion (related to PES-I and syndicated bank facilities), and
- A current portion of Rs. 94.430 billion.

Additionally, a receivable against PES-II remains recorded as due from the power sector through CPPA-G.

Based on the Cabinet directive, PHL made reclassification of receivables (Rs. 459.68 billion) from Finance Division GOP to Power Sector, GOP through CPPA-G. After reclassification the total receivable from Power Sector, GOP through CPPA-G accumulates to Rs. 659.66 billion as at June 30, 2025.

**31 DATE OF AUTHORIZATION**

The financial statements were authorized for issue by the Board of Directors of the company on 24 OCT 2025

**32 FIGURES**

Figures have been rounded off to the nearest rupee unless otherwise stated.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR