



# Annual Report **2025**

# Financials at a Glance

	<b>2025</b>	2024
	Rs. Million	
Turnover	<b>9,189</b>	8,061
Gross profit	<b>264</b>	1,311
Financial cost	<b>806</b>	1,649
Net Profit/(loss) before tax	<b>14</b>	(272)
Shareholders Equity	<b>10,411</b>	10,825
	Rs.	
Dividend per share	<b>1.75</b>	1.25

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# Basic Corporate Profile

## Board of Directors

Mr. Javed Saifullah Khan	Chairman
Mr. Humayun Saifullah Khan	Director
Mr. Osman Saifullah Khan	Director
Mr. Assad Saifullah Khan	Director
Mr. Asif Saifullah Khan	Director
Miss. Saima Akbar Khattak	Independent Director
Mr. Khalid Siddiq Tirmizey	Independent Director

## Audit Committee

Mr. Khalid Siddiq Tirmizey	Chairman
Mr. Osman Saifullah Khan	Member
Mr. Asif Saifullah Khan	Member

## Human Resource and Remuneration Committee

Miss. Saima Akbar Khattak	Chairperson
Mr. Assad Saifullah Khan	Member
Mr. Asif Saifullah Khan	Member

## Management

Mr. Jehangir Saifullah Khan  
Chief Executive Officer

Mr. Muhammad Shakeel  
Chief Financial Officer

Mr. Shahid Malik  
Dept. Chief Financial Officer

Mr. Altaf Hussain  
GM Power Plant

Mr. Muhammad Awais Bakhtiyar  
Head of Internal Audit

Mr. Waseemullah  
Company Secretary

## Auditors

KPMG Taseer Hadi & Co.  
Sixth Floor, State Life Building No. 5, Jinnah Avenue,  
Blue Area, Islamabad, Pakistan.  
Tel: +92 51 282 3558, Fax: +92 51 282 2671

## Legal Advisors

Mr. Muhammad Naeem Amer (MNA)  
Rehan

Advocate High Court

## Registered/ Head Office

1st Floor, Kashmir Commercial Complex,  
Fazal-ul-Haq Road Block E, Blue Area,  
Islamabad, Pakistan.

Tel: +92-51-2271378-83

Fax: +92-51-2277670

Email: info.spl@saifgroup.com

## Plant Location

Chak 56/5L, Qadarabad,  
Multan Road, District Sahiwal,  
Punjab, Pakistan.

## Website

<http://www.saifpower.com>

## Share Registrar

THK Associates (Private) Ltd.  
Plot No. 32-C, Jami Commercial  
Street 2, DHA Phase VII, Karachi.  
Tel: +92-21- 111 000 322,  
Email: sfc@thk.com.pk

## Banks & Financial Institutions

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Limited  
Faysal Bank Limited  
First Habib Modaraba  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Soneri Bank Limited  
Bank Makramah Limited (formaly Summit Bank)  
The Bank of Punjab  
United Bank Limited

# Vision

Let us light homes whatever it takes  
And let us be an efficient, flexible but also a humble resource  
within the power generation industry

# Mission

Be looked up as an honest and reliable supplier  
Strive to perform at our best under a professional, effective,  
transparent and cordial corporate culture  
Add value to stakeholders' interests

# Sharing & Team Work

## Core Values

It is our objective to ensure that we:

### Ethics

- ☞ Adhere to high ethical standards and transparency in the conduct of our business
- ☞ Take ownership of our actions
- ☞ Give top most priority to Company's image and integrity as a legal entity
- ☞ Do not allow our directors or employees to be placed in a situation of conflict of interest

### People

- ☞ Encourage and promote open communication and free enterprise
- ☞ Give attention to the health, safety and well being of our employees and provide a safe and secure environment
- ☞ Inculcate team work and sharing

### Quality, Compliance and Business Excellence

- ☞ Strive to bring excellence within our performances and scope of work while observing all applicable laws
- ☞ Never trespass or deviate from our approved operational and financial systems
- ☞ Concentrate fully on maximizing shareholders' returns through good governance and through proper application of all management functions

# Corporate Social Responsibility (CSR)

CSR is a relationship with all of our stakeholders.

Our Employment Practices ensure competitive salaries and wages along with benefits including healthcare. All of our employees are entitled to OPD and hospital beds at Kulsum International Hospital (run by Saif Group) at nominal rates.

Along with General Electric, USA who are our O&M Contractors, the company provides highest standards of occupational health and safety all around our plant premises.

We are committed to the community around us and, therefore, we comply with all applicable regulations in this area. Every year, young boys with relevant qualifications from our neighbourhood community get internships which serve as a platform for them considering the fact they are able to work along GE experienced personnel and, under the guidance of our own senior management.

Besides the above, the owner/directors provide substantial services in their own local areas as follows:

Saifullah Foundation for Sustainable Development (SFSD) was established as an independent non-political, non-profit NGO registered under Khyber Pakhtunkhwa Social Welfare Agencies (Registration and Control Ordinance, 1961). Begum Kulsum Saifullah Khan (Hilal-e-Imtiaz), the founding Chairperson, was the inspiration behind its establishment. SFSD manages;

- Saifullah Khan Trust
- Akbar Kare Institute

## SAIFULLAH KHAN TRUST (SKT)

SKT focuses on promotion of skill based education and, financial help to bright students in the shape of stipends. Around 300 students receive stipends each year. FM – 88 radio station was set up in 2004 in Lakki District for awareness oriented program and for entertainment. Both of these objectives are being achieved and FM 88 has gained huge popularity. Clean water facility has been provided to the village of Lawang Khel with a population of 2000 people. Earlier these villagers did not have access to clean drinking water despite an existing water supply scheme which had not functioned for 10 years.

## AKBAR KARE INSTITUTE (AKI)

AKI is a therapy centre for all children of Khyber Pakhtunkhwa (K.P.K), Pakistan who have Motor Developmental Delay primarily due to Cerebral Palsy. Cerebral palsy is a disorder of movement, muscle tone or posture that is caused by injury or abnormal development in the immature brain, most often before birth.

As often happens with innovative new projects in the developing world, AKI was inspired by the personal experiences of one woman and her family. Costs and expenses have been met by the founding family through their organization, the Saifullah Foundation for Sustainable Development (SFSD). All services, aids, and referrals are free and no expense is passed onto the client families.

# Operational Analysis

## Comparison of Plant Operation For Year 2025 & 2024

Parameters	Units	2025	2024
Plant Operation Hours on Gas Fuel	Hrs.	1,569	1,165
Plant Operation Hours on HSD Fuel	Hrs.	-	-
Utilization Factor	%	12	9
Load Factor	%	12	9
Complex Reliability Factor	%	100	100
Complex Start up Reliability Factor	%	100	100
Generation on HSD	MWH	-	-
Generation on Gas	MWH	195,407	147,542
Net Generation	MWH	195,407	147,542
Period Hours	Hrs.	8,760	8,784
Service Hours	Hrs.	1,569	1,165
Standby Hours	Hrs.	6,711	7,139
Available Hours	Hrs.	8,280	8,304
Planned Outage Hours	Hrs.	480	480
Unplanned Outage Hours	Hrs.	21	26
Total Outage Hours	Hrs.	501	506
Availability Factor	%	94	94

# Chairman's Review Report

## Dear Shareholders

I am pleased to present the Annual Report of your Company for the financial year ended December 31, 2025.

### Board's Performance and Oversight

During the year under review, the Board of Directors ("the Board") effectively discharged its fiduciary responsibilities by providing strategic direction and exercising robust oversight over the affairs of the Company in a challenging operating environment. The Board remained actively engaged in safeguarding the interests of all stakeholders and ensuring compliance with applicable legal and regulatory requirements. The Board also provided guidance on critical matters affecting the Company after the signing of Amendment Agreement with Energy Task Force constituted by the Prime Minister, mandated to identify and oversee the implementation of structural reforms in Pakistan's power sector.

In compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board held five (5) meetings during the year, with adequate notice and circulation of agenda and working papers in advance. The minutes of the meetings were duly recorded and maintained. The Board ensured effective oversight of strategic, financial, and operational matters, and all significant decisions were taken after due deliberation, with a focus on long-term sustainability, sound risk management, and the creation of sustainable value for shareholders.

### Internal Controls and Risk Management

The Board remained vigilant in overseeing the effectiveness of the Company's internal control framework. Supported by the Audit Committee, comprising non-executive and independent directors, the Board regularly reviewed internal audit reports, risk assessments, and compliance matters. I am pleased to report that no material weaknesses were identified during the year.

### Future Outlook

The Board has formulated a comprehensive plan to overcome challenges post implementation of 'Hybrid Take and Pay' model and revision of tariff structure. Cost optimization initiatives are implemented to mitigate inflationary pressures. Enhancing cost efficiency will continue to be a key strategic priority going forward. In this regard, we are able to restructure fixed costs, reducing them to a level that will further improve future cash flows and profitability.

### Conclusion

On behalf of the Board, I would like to place on record appreciation for the continued support of lender banks, suppliers, contractors, regulatory authorities, various government functionaries and acknowledge with thanks the contributions made by the management and employees. At the same time, I would also like to acknowledge the trust shown by our shareholders in the Company.

March 25, 2026  
Islamabad



**Javed Saifullah Khan**  
Chairman

# چیئرمین کی جائزہ رپورٹ

محترم حصص کنندگان

مجھے آپ کی کمپنی کی 31 دسمبر 2025 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

## بورڈ کی کارکردگی اور نگرانی

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز (بورڈ) نے ایک مشکل عملی ماحول میں کمپنی کے معاملات کی مضبوط نگرانی اور اسٹریٹجک سمت فراہم کرتے ہوئے اپنی حقیقی ذمہ داریوں کو مؤثر طریقے سے نبھایا۔ بورڈ تمام اسٹیک ہولڈرز کے مفادات کے تحفظ اور قابل اطلاق قانونی اور ریگولیٹری تقاضوں کی تعمیل کو یقینی بنانے میں فعال طور پر مصروف رہا۔

مزید برآں، بورڈ نے اُن اہم معاملات پر بھی رہنمائی فراہم کی جو کمپنی کو اس وقت درپیش تھے جب وزیر اعظم کی جانب سے تشکیل دی گئی اجزی ٹاسک فورس کے ساتھ ترمیمی معاہدے طے پایا۔ اس ٹاسک فورس کو پاکستان کے توانائی کے شعبے میں ساختی اصلاحات کی نشاندہی اور ان کے نفاذ کی نگرانی کا اختیار دیا گیا تھا۔

لسنڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کی تعمیل میں، بورڈ نے سال کے دوران پانچ (5) اجلاس منعقد کیے، جس میں بروقت نوٹس اور ایجنڈا اور ورکنگ پیپرز پیشگی فراہم کیے گئے۔ اجلاسوں کی کارروائی باقاعدگی سے ریکارڈ اور محفوظ کی گئی۔ بورڈ نے حکمت عملی، مالی اور آپریشنل معاملات پر مؤثر نگرانی کو یقینی بنایا اور تمام اہم فیصلے مکمل غور و فکر کے بعد کیے گئے، جن میں طویل مدتی پائیداری، مؤثر رسک مینجمنٹ اور شیئرز ہولڈرز کے لیے پائیدار قدر کی تخلیق پر خصوصی توجہ دی گئی۔

## اندرونی کنٹرولز اور رسک مینجمنٹ

بورڈ کمپنی کے اندرونی کنٹرول کے نظام کی مؤثریت کی نگرانی میں مستعد رہا۔ آڈٹ کمیٹی کے تعاون سے، نان ایگزیکٹو اور آزاد ڈائریکٹرز پر مشتمل، بورڈ نے باقاعدگی سے اندرونی آڈٹ رپورٹس، رسک ایسیسمنٹ، اور تعمیل کے معاملات کا جائزہ لیا۔ مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ سال کے دوران کسی اہم کمزوری کی نشاندہی نہیں کی گئی۔

## مستقبل کا واضح عمل

بورڈ نے 'ہائبرڈ ٹیک اینڈ پے' ماڈل کے نفاذ اور ٹیرف اسٹرکچر پر نظر ثانی کے بعد چیلنجوں پر قابو پانے کے لیے ایک جامع منصوبہ بنایا ہے۔ مہنگائی کے دباؤ کو کم کرنے کے لیے لاگت میں کمی کے اقدامات نافذ کیے گئے ہیں۔ لاگت کی کارکردگی کو بڑھانا آگے بڑھتے ہوئے ایک اہم اسٹریٹجک ترجیح رہے گا۔ اس سلسلے میں، ہم نے مقررہ اخراجات کی تشکیل نو کرتے ہوئے انہیں اس سطح تک کم کرنے میں کامیابی حاصل کی ہے جس سے مستقبل میں کیش فلو اور منافع میں مزید بہتری آئے گی۔

## نتیجہ

بورڈ کی جانب سے، میں قرض فراہم کرنے والے بینکوں، سپلائرز، کنٹریکٹرز، ریگولیٹری اداروں اور مختلف سرکاری حکام کی مسلسل معاونت کو سراہتا ہوں، اور انتظامیہ و ملازمین کی خدمات کو خراج تحسین پیش کرتا ہوں۔ اسی کے ساتھ، میں کمپنی پر ہمارے حصص کنندگان کے اعتماد کا بھی شکریہ ادا کرتا ہوں۔



جاوید سیف اللہ خان

چیئرمین

25 مارچ 2026

اسلام آباد

# REPORT OF THE BOARD OF DIRECTORS TO SHAREHOLDERS

The Board of Directors is pleased to present the Annual Report of Saif Power Limited (the “Company”) along with its audited Financial Statements for the year ended December 31, 2025.

## PRINCIPAL ACTIVITY

Saif Power Limited (“the Company”) was established with the primary objective to build, own, operate and maintain a combined cycle power generation plant located in Sahiwal Punjab, having nameplate capacity of 225 MW. The Company operates under the provisions of its Power Purchase Agreement signed on April 30, 2007. Saif Holdings Limited, being major share-holder of the Company, holds 23.01% shareholding of the Company.

## OPERATIONS AND FINANCIAL PERFORMANCE

Government of Pakistan (“GoP”) is working on multiple initiatives to reduce electricity cost and enhance power demand from National Grid. 2025 witnessed economic recovery with low inflation and modest growth. However, the electricity demand has decoupled from GDP growth. During the FY25, Pakistan posted GDP growth of 2.7% while grid-based electricity demand grew only by 0.1%. The rapid adoption of Solar consumption has offset grid-based consumption. However, the Company despatch level improved compared to last year from 8.88% to 11.94%. The Company continues to follow best practices to ensure highest Reliability, Availability and best Operational Performance. During the year, reliability factor was 99.75% as compared to 99.69% in 2024 and availability factor was 94.29% as compared to 94.24% in 2024. Despatch level was 11.94% as compared to 8.88% last year.

### • Amendments in Power Purchase and Implementation Agreement

As part of the Government’s power sector reforms, the Prime Minister of Pakistan constituted an Energy Task Force under the Chairmanship of Federal Minister for Power accompanied by members from various regulatory bodies overseeing power sector in the country. During the year, the Company signed Amendment Agreement with GoP and CPPA agreeing to revised the existing structure to ‘Hybrid Take and Pay’ model effective from November 01, 2024. Revised tariff notification was gazetted on November 13, 2025 marking it as ‘Revised Tariff Effective Date’ as per the Amendment Agreement. The details of the Amendment Agreement are explained in detail in note 1.1 of these financial statements.

During the year, pursuant to the Amendment Agreement the Company has duly received payment against outstanding receivables as of October 31, 2024 amounting to Rs. 5,207 million after adjustment of waiver of receivable on account of Delay Payment Interest amounting to Rs. 1,360 million. All terms and conditions of the said agreement have been formally executed and implemented apart from amendments in the Power Purchase Agreement, Implementation Agreement as referred in clause 2.2(b) of the Amendment Agreement and waiver of late payment interest claims of SNGPL.

### • Heat Rate Test

During the year, in accordance with the Master Agreement executed between the Company and CPPA-G on February 11, 2021, a comprehensive Heat Rate Test was conducted under the supervision of an Independent Consultant to verify the plant’s technical limits and performance parameters relating to efficiency and capacity. The Heat Rate Test procedures were carried out strictly in accordance with the Terms of Reference agreed and signed by the parties.

# REPORT OF THE BOARD OF DIRECTORS TO SHAREHOLDERS

The Company successfully met all specified parameters and technical thresholds as stipulated in its Power Purchase Agreement and other governing documents. The successful completion of the test confirms that the plant continues to maintain the same efficiency, heat rate, and capacity levels as achieved at its Commercial Operation Date (COD) on April 30, 2010.

## FINANCIAL PERFORMANCE

As explained in note 37.2 of these financial statements, to align with the revised terms of the Amendment Agreement and revised tariff issued on November 13, 2025, the Company has adjusted the closing balances of trade receivables as at December 31, 2024, delay payment interest and CPP revenue for the year ended December 31, 2024 by Rs. 405 million being the impact of implementation of amendment agreement and the differential impact of pre-amendment and revised tariff. This has resulted in re-statement of profit and loss for the year 2024 from profit for the year of Rs. 133 million to loss for the year of Rs. 272 million. In addition to this, in light with the fair presentation under financial reporting framework, the Company has presented delay payment interest as other income in the current year and has also re-classified the same in comparative year. However, this re-classification does not affect the reported profit and loss and financial position of the Company.

During the year, the Company earned a gross profit of Rs. 264 million compared to Rs. 1,311 million last year. However, the impact of adjustments as per Amendment Agreement has not only resulted in profit before tax for the year of Rs. 14 million (loss after tax of Rs. 38 million) but also resulted in re-statement of prior year's profit of Rs. 133 million to loss before tax for the year of Rs. 272 million. This resulted in loss per share of Rs. 0.10 compared to loss of Rs. 0.70 per share (re-stated).

The Depreciation Allowance created by the company in the books has not been used for the last 16 years of operations as the Company is not required to spend money on this provision. The Company pays fee to General Electric both for operations and maintenance. Therefore, even in future, this money will not be used by the Company for any operations and maintenance work. This was envisaged in the figures under the agreement above. Accordingly, Company has earned Cash Profit for the year 2025 amounting to Rs. 622 million after adjusting non-cash items.

During the year, Rs. 121 million has been transferred from unappropriated profit to maintenance reserves through statement of changes in equity for next overhaul accumulating the maintenance reserve to Rs. 420 million at the year end.

Subsequent to the year end, after short order of the Federal Constitutional Court ("the FCC") the Company received a show cause notice from Federal Board of Revenue ("FBR") requiring response on chargeability of Rs. 51 million on account of Super Tax, on dividend income received in 2024 after distribution of surplus funds by the Company subsidiary, Saif Cement Limited, under section 4c of the Income Tax Ordinance, 2001 ("the Ordinance"). The Company submitted a detailed response thereby challenging the show cause notice and any recovery notice unless or until pending sales tax refund is processed. Although the Company is expecting relief from FCC in the awaited detailed judgement, the Board of Directors assure the shareholders that under the relevant provisions of the Power Purchase Agreement, any Change in Laws, Taxes and application of taxes / duties are categorized as 'Pass Through Item' and will ultimately be reimbursed by the Power Purchaser. However prudently the Company has provided for an amount of Rs. 51 million as prior years' provision of tax in 2025.

Key Financial and Operating Data of last five years is as follows:

FOR THE YEAR ENDED DECEMBER	2025	2024 Restated	2023	2022	2021
	-----Rupees in million-----				
Turnover	9,189	8,061	19,044	22,870	16,394
Waiver of delay payment under the amendment agreement with GoP	-	1,360	-	-	-
Allowance for expected credit loss on financial assets	-	252	-	-	-
Net (loss) / profit	(38)	(272)	336	1,951	1,959
Property, Plant and Equipment	9,607	10,213	10,863	11,302	11,711
Investment in subsidiary	-	-	-	-	789
Net worth	10,411	10,825	12,166	13,867	16,552
Long term loan to associated company – net of expected credit loss	1,322	952	492	-	-
Running finance facility to associated Company – net of expected credit loss	1,459	1,571	-	-	-
Short term borrowing	3,710	7,844	11,669	15,527	7,668
(Loss) / earnings per share – (in rupees)	(0.10)	(0.70)	0.87	5.05	5.07
Dispatch level- (percentages)	11.95%	8.88%	24.61%	34.53%	41.90%
Capacity Made Available-GWHs	1,783	1,786	1,789	1,786	1,785

#### DIVIDEND

The Board has recommended a final dividend of 7.5 % (Rs. 0.75 per share) for the year ended December 31, 2025. Total dividend for the year is 17.5% (Rs. 1.75 per share) as compared to 12.5% (Rs. 1.25 per share) for previous year. The dividend was paid from the amount of capacity payments received from CPPA / GOP.

#### CREDIT RATING

PACRA's rating for the Company is 'AA-' in the long term and 'A1' in the short term while the 'Outlook' has been determined as 'Stable', which denotes a low expectation of credit risk and indicate adequate capacity for timely payment of financial obligations. There has been no change from last year.

#### PENDING ISSUES

(a) In the cases against Sui Northern Gas Pipelines Limited (SNGPL);

- After issuance of revised RLNG fuel price tariff notifications from Oil and Gas Regulatory Authority ("OGRA") on November 28, 2025 and February 17, 2026, SNGPL charged the Company RLNG actualization charges amounting to Rs. 1,575 million (inclusive of sales tax) covering the period

## REPORT OF THE BOARD OF DIRECTORS TO SHAREHOLDERS

from March 2015 to June 2024. In response, the Company, together with other Independent Power Producers (IPPs), filed a tariff application before NEPRA seeking revision of the RLNG fuel price tariff for the period from March 2015 to June 2024.

In parallel, the Company, along with other IPPs, filed a writ petition before the Honorable Lahore High Court challenging the legality of the OGRA notification. The writ petition was filed to safeguard the Company's interests against any potential claims. Pursuant to the OGRA notification, SNGPL has raised revised bills on the Company. The Court has granted a stay in favor of the Company until the final decision of the case.

The Company is confident that, upon determination of the revised tariff by NEPRA, the amounts will be recoverable under the Power Purchase Agreement (PPA) and the RLNG Fuel Interim Agreement, as RLNG fuel costs are treated as a pass-through item under the applicable tariff regime. The Company will withdraw its writ petition once the tariff is determined and the amounts are recovered from CPPA-G.

Subsequent to the year end, OGRA issued revised RLNG fuel price notifications covering the period from July 2022 to June 2024. The Company, along with other IPPs has followed the same procedure to safe guard the Company from any potential claims.

- In the case against Sui Northern Gas Pipelines Limited (SNGPL), after the arbitration award in Company's favour for an amount of Rs. 270.66 million (disputed amount of Rs. 239.68 million & related costs of Rs. 30.98 million), the Company filed a petition in the Civil Court Lahore to obtain the enforcement Decree in lieu of the Arbitration award. The Company has already adjusted the awarded amount as above against payables to SNGPL.

SNGPL enforced another arbitration saying that the Company could not adjust without a decree from the court. The arbitration tribunal has agreed with SNGPL in its decision dated April 22, 2022. SNGPL has filed a petition in the Lahore High Court. During the year 2023, Civil Court Lahore issued decree in favour of the Company. The Honourable Court, whilst making the Award a rule of Court, modified the Award to the extent that the interest awarded by the Arbitrator would not run from August 18, 2014 and the date of Award, respectively, but from the date of Honourable Court's Order date. This modification was upheld by Lahore High Court. This modification of interest date in Award made is against the arbitration rules. The Company has challenged this modification in Supreme Court of Pakistan which is pending adjudication. Company is confident that ultimately the money will be retained by the Company.

(b) Details of other tax related contingencies are disclosed in note 10.1 of these annual financial statements.

### CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENT PROTECTION

#### • Corporate Social Responsibility

Corporate Social Responsibility (CSR) represents the Company's commitment to maintaining a responsible and ethical relationship with all its stakeholders. In this regard, the Company ensures compliance with all applicable laws and regulations, actively contributes to community development, upholds the highest standards of safety, health, and environmental practices, and provides competitive wages and benefits to its employees. The Company also demonstrates its commitment to social welfare by making regular donations to various organizations, as well as by encouraging and facilitating employee participation in welfare and community development activities. These efforts reflect the Company's ongoing dedication to sustainable growth, community building, and social responsibility.

- **Environment Protection**

The Company remains committed to the preservation of the environment and natural resources. To this end, the Company's power plant is equipped with specialized machinery designed to ensure continuous compliance with the National Environmental Quality Standards (NEQS). The Company's technical team, in coordination with the plant operator, regularly monitors emissions and overall environmental impact to ensure adherence to applicable environmental standards and to promote sustainable operations and ensures that under no circumstances any value of the emission exceeds beyond the limits provided in the Environmental Protection Agency (EPA) guidelines.

In furtherance of its commitment to environmental protection, the Company has installed a solar power system within its plant premises to enhance energy efficiency and reduce its carbon footprint. Additionally, the Company has undertaken tree plantation initiatives in and around the power plant vicinity as part of its efforts to conserve the environment and contribute to ecological sustainability.

- **Employee Safety**

The Company also fosters a culture of shared responsibility by integrating environmental stewardship and employee safety into all aspects of its operations. It is committed to maintaining a safe, secure, and supportive work environment, reinforced by a comprehensive Anti-Harassment Policy that ensures dignity and respect for every employee. Special emphasis is placed on creating a safe and empowering workplace for women, promoting inclusivity, equal opportunity, and a culture where all employees can thrive.

## **SUSTAINABILITY AND DE&I MEASURES**

The Board is committed to addressing sustainability risks, including Environmental, Social, and Governance (ESG) factors, in line with SECP guidelines. We promote Diversity, Equity, and Inclusion (DE&I) and continue to enhance gender equality across the organization.

## **PRINCIPAL RISKS & UNCERTAINTIES**

The Company has ensured that appropriate controls exist to cater for any unforeseen risks & uncertainties. Most of the financial risks are covered through tariffs. However, liquidity risk remains as one of the uncertainties for reliable operations of the Company. This risk, as highlighted above, has been mitigated by arranging adequate credit lines from banks. Financial risk management is also disclosed in notes to the financial statements. Operational risks have been mitigated primarily through outsourcing plant operations to M/s General Electric Inc. (who are both the original supplier and the O&M contractor) and through a comprehensive and effective insurance policy.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Your Company complies with the highest standards of Corporate Governance and, internal controls are sound in design and have been effectively implemented and monitored.

## **INTERNAL AUDIT AND CONTROL**

The independent internal audit function headed by a qualified person reporting to the Audit Committee is in operation. The scope of internal auditing within the Company is clearly defined which broadly involves review and evaluation of internal control system, safeguarding of assets, accuracy and completeness of accounting records and ensuring compliance with all applicable laws and regulations with regards to financial reporting framework.

# REPORT OF THE BOARD OF DIRECTORS TO SHAREHOLDERS

## PATTERN OF SHAREHOLDING

The statement of pattern of shareholding as on December 31, 2025 is enclosed with the report.

## AUDITORS

The retiring auditors' M/s KPMG Taseer Hadi & Co., Chartered Accountants, Islamabad retire and being eligible, have offered themselves for re-appointment for next term.

## FUTURE OUTLOOK

The operating environment for Independent Power Producers (IPPs) remained challenging during the year, driven by lower capacity utilization and revisions in contractual arrangements affecting tariff structures. In this context, the Company remained focused on ensuring operational excellence through high plant reliability and disciplined financial management. Concurrently, targeted cost optimization initiatives were implemented to mitigate inflationary pressures. Enhancing cost efficiency will continue to be a key strategic priority for management going forward. The Company has successfully restructured its fixed costs, reducing them to a level that will further improve future cash flows and profitability.

## LOAN TO SAIF TEXTILE MILLS LIMITED ("STML"), an associated Company

### • Long Term Loan

The Company has provided Long Term Loan facility to STML. Particulars of loan are detailed in note 13.1.1 of these financial statements.

During the year, upon request of STML, Board of Directors of the Company recommended the restructuring of long-term loan which was duly approved by the shareholders in the Extra Ordinary General Meeting held of September 26, 2026. Restructuring terms include the enhancement of long-term loan facility by an amount equal to Rs. 400 million, aggregating the long-term loan amount to Rs. 1,400 million. They also approved amendments to the existing terms and conditions including amendment in frequency of markup repayment from quarterly basis to annual basis effective October 01, 2025 and extended the grace period for another one and half (1.5) years while maintaining the actual maturity of long-term loan.

### • Running Finance Facility

The Company has also provided short-term running finance facility to STML which is renewable each year subject to approval from shareholders of the Company. Particulars of loan are detailed in note 13.2.1 of these financial statements. Subsequent to the year-end, the Board of Directors in their meeting held on March 18, 2026 recommended renewal of this facility for a period of one year (i.e., till April 15, 2027) subject to approval from shareholders in the up-coming Extra Ordinary General Meeting scheduled on April 15, 2026.

In accordance with IFRS 09, during the year ended December 31, 2024, the Company had recognized an allowance for expected credit losses on financial assets. This provision reflects our commitment to prudent financial management and adherence to international accounting standards. This measure ensured that our financial statements accurately represent the potential risks associated with our financial assets, thereby maintaining the integrity and reliability of our financial reporting.

During the year, STML has cleared all markup accrued on long term loan facility and running finance facility and the Company is confident that the measures taken by STML new management will eventually turn around STML into profitable entity.

## INVESTMENT IN SAIF CEMENT LIMITED ('SCL') – subsidiary company

The Board of Directors of the Company recommended the voluntary winding up of SCL and liquidator was appointed under section 353 of the Companies Act 2017.

At the end of the year 2024, SCL distributed surplus funds and its equity among all shareholders in proportion to their respective shareholding during its winding up. Net assets of SCL amounts to Rs. 7.9 million pertaining to tax matter that is pending adjudication in Peshawar High Court which is retained by SCL and its distribution is contingent upon favourable decision in favour of the Company.

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

### Board of Directors

The activities of the Board are based on the requirements and duties laid down under relevant laws and Memorandum and Articles of Association of the Company. This compliance assists the Board in safeguarding the interests of all the stakeholders. The Board of Directors provides oversight in the governance, management and control of the Company and help in setting the goals, objectives and strategies of the Company and to formulating the policies and guidelines towards achieving such goals and objectives.

1. The total number of directors are seven excluding Chief Executive Officer as per following composition:

Category	Gender	Name
Independent Directors	Male	Mr. Khalid Siddiq Tirmizey
	Female	Miss. Saima Akbar Khattak
Non-Executive Directors	Male	Mr. Javed Saifullah Khan
		Mr. Humayun Saifullah Khan
		Mr. Osman Saifullah Khan
		Mr. Assad Saifullah Khan
		Mr. Asif Saifullah Khan
Chief Executive Officer	Male	Mr Jehangir Saifullah Khan

The Chief Executive Officer of the Company resigned from his office with effect from October 15, 2025 and Mr. Jehangir Saifullah Khan has been appointed as 'Acting - Chief Executive Officer' with effect from October 24, 2025.

2. The composition of the Board's Audit Committee is as follows:

Directors' Name	Status
Mr. Khalid Siddiq Tirmizey	Chairman
Mr. Osman Saifullah Khan	Member
Mr. Asif Saifullah Khan	Member

### 3. The composition of the Board's HR and Remuneration Committee is as follows:

<b>Directors' Name</b>	<b>Status</b>
Miss. Saima Akbar Khattak	Chairperson
Mr. Assad Saifullah Khan	Member
Mr. Asif Saifullah Khan	Member

The Chairman of the Board is a non-executive director. The positions of Chairman and CEO are held by separate individuals with clearly defined roles and responsibilities. As required by Companies Act, 2017 and listed companies code of corporate governance, all directors are provided with sufficient information of their duties and responsibilities under respective laws and the Company's Memorandum and Articles of Association.

#### Statement of Directors' responsibilities

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan Code of Corporate Governance for the following:

- The financial statements of the Company, prepared by the management of the Company, present its state of affairs fairly, including the result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, and subject to waivers from the competent authority, have been followed in preparation of financial statements and, any departures therefrom (if any) have been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon Company's ability to continue as a going concern;
- There is no material departure from the best practices of corporate governance, as detailed in the listing regulations;
- All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses;
- There has been no trading of shares by CEO, CFO, Company Secretary and their spouses. Shareholding of directors is annexed to this report; and
- Information about outstanding taxes and levies is given in the notes to the financial statements.

## Board Meetings and attendance

During the year, five Board of Directors' Meetings were held, attendance position was as under: -

Name of Directors	Status	Meetings Attended
Mr. Javed Saifullah Khan - Chairman	Elected	04/05
Mrs. Hoor Yousafzai*	Resigned	-
Mr. Humayun Saifullah Khan*	Appointed	04/05
Mr. Osman Saifullah Khan	Elected	03/05
Mr. Assad Saifullah Khan	Elected	05/05
Mr. Asif Saifullah Khan	Appointed	04/05
Mr. Rashid Ibrahim**	Resigned	03/04
Miss. Saima Akbar Khattak	Elected	04/05
Mr. Khalid Siddiq Tirmizey**	Appointed	01/01

\* Mrs. Hoor Yousafzai resigned on February 04, 2025 and Mr. Humayu Saifullah Khan was appointed in her place on February 17, 2025.

\*\* Mr. Rashid Ibrahim resigned on August 27, 2025 and Mr. Khalid Siddiq Tirmizey was appointed in his place on October 17, 2025. Subsequent to his appointment, he was appointed as Chairman Board's Audit Committee.

Leave of absence was granted to Director(s) who could not attend any meeting. The current term of the directors shall stand completed in October 2026 when fresh elections will be held for appointment of directors through general meeting of the shareholders.

During the year, four Audit Committee Meetings were held, attendance position was as under: -

Name of Directors	Status	Meetings Attended
Mr. Rashid Ibrahim	Chairman/Resigned	03/03
Mr. Khalid Siddiq Tirmizey	Chairman/Appointed	01/01
Mr. Osman Saifullah Khan	Member	04/04
Mr. Asif Saifullah Khan	Member	04/04

During the year, one HR and Remuneration Committee was held, attendance position was as under: -

Name of Directors	Status	Meetings Attended
Miss. Saima Akbar Khattak	Chairperson	01/01
Mr. Assad Saifullah Khan	Member	01/01
Mr. Asif Saifullah Khan	Member	00/01

### Directors' Trainings

The Company is compliant with the requirement of director training program provided in these Regulations.

### Directors' remuneration

Non-Executive directors and independent directors are entitled for fixed fee for attending the meeting of the Board and its committee, as determined by the Board from time to time. All directors of the Company are Non-Executive Directors.

Remuneration paid to Directors and Retired Chief Executive Officer has been disclosed in note no. 30 of the Financial Statements. The current Chief Executive Officer does not draw any remunerations from the Company.

### EVALUATION OF THE BOARD'S PERFORMANCE

The Company's Board of Directors undergoes a self-evaluation exercise against a set of parameters. This evaluation is performed primarily to assist the Board in evaluating its quality of governance as it enables the Board members to perform their roles and responsibilities more effectively towards progress of your Company.

The result of the Board's self-assessment of its overall performance was satisfactory against the set criteria.

### CHAIRMAN'S REVIEW

The accompanied Chairman's review deals with overall performance of the Board and effectiveness of the role played by the Board in achieving the Company's objectives. The directors endorse the contents of the Chairman's Review.

### RELATED PARTY TRANSACTIONS

Transaction undertaken with related parties are carried out on arm's length basis during the year and have been ratified / recommended by the Audit Committee and approved by the Board.

### ACKNOWLEDGEMENT

The Directors of your company would like to show their appreciation to its customer, suppliers, financial institutions and to all other stakeholders for their cooperation and support during the year.

The Directors of your Company would also like to express their deep appreciation for the services, loyalty and efforts being continuously rendered by the employees of the Company and hope that they will continue to do so in the future.

The Board would like to record its appreciation for the invaluable contributions rendered by the outgoing director.

For and on behalf of the Board



**Jehangir Saifullah Khan**

Chief Executive Officer



**Javed Saifullah Khan**

Director

Islamabad: March 25, 2026

# Pattern of Shareholding

Saif Power Limited

As at December 31, 2025

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
708	1	100	19984	0.0052
2475	101	500	1157313	0.2995
1048	501	1000	996194	0.2578
1601	1001	5000	4635307	1.1994
580	5001	10000	4693721	1.2145
237	10001	15000	3062081	0.7923
174	15001	20000	3250061	0.8410
134	20001	25000	3195233	0.8268
74	25001	30000	2135081	0.5525
47	30001	35000	1579469	0.4087
56	35001	40000	2170149	0.5615
30	40001	45000	1300899	0.3366
67	45001	50000	3298161	0.8534
16	50001	55000	842225	0.2179
16	55001	60000	929507	0.2405
13	60001	65000	821801	0.2126
10	65001	70000	684260	0.1771
14	70001	75000	1033521	0.2674
17	75001	80000	1342124	0.3473
6	80001	85000	497765	0.1288
7	85001	90000	616922	0.1596
7	90001	95000	651281	0.1685
50	95001	100000	4985000	1.2899
3	100001	105000	308054	0.0797
3	105001	110000	323500	0.0837
4	110001	115000	451862	0.1169
6	115001	120000	713658	0.1847
7	120001	125000	864307	0.2236
2	125001	130000	258209	0.0668
3	130001	135000	400000	0.1035
5	135001	140000	698000	0.1806
3	140001	145000	431340	0.1116
9	145001	150000	1340949	0.3470
4	150001	155000	614250	0.1589
4	155001	160000	634573	0.1642
2	165001	170000	340000	0.0880
2	170001	175000	350000	0.0906
1	175001	180000	177033	0.0458
1	180001	185000	185000	0.0479
1	190001	195000	195000	0.0505
10	195001	200000	1995146	0.5162
3	200001	205000	601200	0.1556
1	205001	210000	210000	0.0543
5	210001	215000	1056560	0.2734
3	215001	220000	653825	0.1692
1	225001	230000	230000	0.0595
1	230001	235000	233000	0.0603
2	235001	240000	480000	0.1242
2	240001	245000	485243	0.1256
2	245001	250000	500000	0.1294
1	250001	255000	255000	0.0660
3	255001	260000	767029	0.1985
1	270001	275000	272500	0.0705
1	275001	280000	277699	0.0719
1	290001	295000	290650	0.0752
3	295001	300000	900000	0.2329
2	300001	305000	600784	0.1555

# Pattern of Shareholding

Saif Power Limited

As at December 31, 2025

NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
1	310001	315000	313503	0.0811
2	315001	320000	637550	0.1650
1	320001	325000	325000	0.0841
1	335001	340000	339500	0.0878
1	340001	345000	340235	0.0880
3	345001	350000	1048808	0.2714
1	350001	355000	351102	0.0908
2	380001	385000	762486	0.1973
1	385001	390000	390000	0.1009
1	390001	395000	391900	0.1014
3	395001	400000	1197937	0.3100
1	400001	405000	404690	0.1047
2	405001	410000	815967	0.2111
1	410001	415000	414000	0.1071
1	425001	430000	429500	0.1111
1	435001	440000	436000	0.1128
2	445001	450000	895377	0.2317
2	475001	480000	956000	0.2474
1	480001	485000	481781	0.1247
7	495001	500000	3498854	0.9053
2	500001	505000	1004500	0.2599
1	560001	565000	565000	0.1462
1	565001	570000	570000	0.1475
1	580001	585000	584311	0.1512
1	585001	590000	587500	0.1520
1	595001	600000	598675	0.1549
1	610001	615000	612244	0.1584
1	660001	665000	662216	0.1713
2	695001	700000	1396500	0.3613
1	775001	780000	777676	0.2012
1	840001	845000	844500	0.2185
1	865001	870000	867442	0.2245
1	950001	955000	950258	0.2459
1	1220001	1225000	1224219	0.3168
1	1395001	1400000	1400000	0.3623
1	1500001	1505000	1502912	0.3889
1	1905001	1910000	1908851	0.4939
1	1945001	1950000	1950000	0.5046
1	1950001	1955000	1954347	0.5057
1	1995001	2000000	2000000	0.5175
1	2165001	2170000	2170000	0.5615
1	2170001	2175000	2170133	0.5615
1	2450001	2455000	2453500	0.6348
1	3645001	3650000	3648000	0.9439
1	4210001	4215000	4214996	1.0906
1	4935001	4940000	4935882	1.2772
2	6995001	7000000	14000000	3.6225
1	7000001	7005000	7000313	1.8113
1	9295001	9300000	9299226	2.4062
1	9330001	9335000	9332520	2.4148
1	9335001	9340000	9340000	2.4167
1	10235001	10240000	10237000	2.6488
1	15345001	15350000	15350000	3.9718
1	17330001	17335000	17332207	4.4847
1	21670001	21675000	21672210	5.6077
1	66020001	66025000	66022504	17.0834
1	88905001	88910000	88909517	23.0054
<b>7564</b>	<b>COMPANY TOTAL</b>		<b>386471779</b>	<b>100.000</b>

# Pattern of Shareholding

Saif Power Limited

As at December 31, 2025

CATEGORY OF SHAREHOLDER	NO OF FOLIO	SHARES	PERCENTAGE
DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN	13	68,542,059	17.7352
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	13	115,144,516	29.2378
BANKS, DFI AND NBFİ	4	29,802,996	7.7116
INSURANCE COMPANIES	2	5,439,382	1.4074
GENERAL PUBLIC (LOCAL)	6,958	79,966,810	20.6915
GENERAL PUBLIC (FOREIGN)	539	11,222,917	2.9039
OTHERS	35	76,353,099	19.7565
<b>TOTAL</b>	<b>7,564</b>	<b>386,471,779</b>	<b>100</b>

DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN	SHARES	PERCENTAGE
Mr. HUMAYUN SAIFULLAH KHAN	21,672,210	5.6077
Mr. JAVED SAIFULLAH KHAN	17,338,207	4.4863
Mr. OSMAN SAIFULLAH KHAN	10,523,445	2.7230
Mr. ASSAD SAIFULLAH KHAN	9,833,520	2.5444
Mr. ASIF SAIFULLAH KHAN	7,000,313	1.8113
Mr. KHALID SIDDIQ TIRMIZEY	1	0.0000
Miss. SAIMA AKBAR KHATTAK	50	0.0000
Mr. JEHANGIR SAIFULLAH KHAN	2,174,313	0.5625
<b>ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</b>		
SAIF HOLDINGS LIMITED	88,909,517	23.0054
SAIF TEXTILE MILLS LIMITED	100	0.0000
Mrs. HOOR YOUSAFZAI	314	0.0000
Mr. ANWAR SAIFULLAH KHAN	51,378	0.0133
Mr. SALIM SAIFULLAH KHAN	9,340,000	2.4167
Mr. IQBAL SAIFULLAH KHAN	672,207	0.0197
Mr. FAISAL SAIFULLAH KHAN	7,000,000	1.8113
Mr. HAIDER SAIFULLAH KHAN	7,000,000	1.8113
Miss. SAHAR SAIFULLAH KHAN	2,170,000	0.0056
Miss. JEHANNAZ SAIFULLAH KHAN	1,000	0.0003
<b>BANKS, DFI AND NBFİ</b>		
ALLIED BANK LIMITED	4,214,996	1.0906
UNITED BANK LIMITED - TRADING PORTFOLIO	10,237,000	2.6488
MCB BANK LIMITED – TREASURY	15,350,000	3.9718
Z.A GHAFFAR SECURITIES (PRIVATE) LIMITED	1,000	0.0003
<b>INSURANCE COMPANIES</b>		
UBL INSURERS LIMITED	503,500	0.1303
ADAMJEE INSURANCE COMPANY LIMITED	4,935,882	1.2772
<b>GENERAL PUBLIC</b>		
GENERAL PUBLIC (LOCAL)	79,966,810	20.6915
GENERAL PUBLIC (FOREIGN)	11,222,917	2.9039
<b>OTHERS</b> (Joint Stock Companies, Charitable Trust, Foreign Companies, various funds etc)	10,330,595	2.6731
<b>SHARE HOLDING MORE THEN TEN PERCENTAGE</b>		
SAIF HOLDINGS LIMITED	88,909,517	23.0054
ORASTAR LIMITED	66,022,504	17.0834

## ڈائریکٹرز کی تربیت

کمپنی ان ضوابط میں فراہم کردہ ڈائریکٹرز ٹریننگ پروگرام کی ضرورت کے مطابق ہے۔

## ڈائریکٹرز کا معاوضہ

نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز بورڈ اور اس کی کمیٹی کے اجلاس میں شرکت کے لیے مقررہ فیس کے حقدار ہیں، جیسا کہ بورڈ وقتاً فوقتاً طے کرتا ہے۔ کمپنی کے تمام ڈائریکٹرز نان ایگزیکٹو ڈائریکٹرز ہیں۔

ڈائریکٹرز اور ریٹائرڈ چیف ایگزیکٹو آفیسر کو ادا کیے جانے والے معاوضے کا انکشاف نوٹ نمبر 30 میں کیا گیا ہے۔ موجودہ چیف ایگزیکٹو آفیسر کمپنی سے کوئی معاوضہ نہیں لیتے ہیں۔

## بورڈ کی کارکردگی کا جائزہ

کمپنی کا بورڈ آف ڈائریکٹرز پیرامیٹرز کے ایک سیٹ کے خلاف خود تشخیصی مشق سے گزرتا ہے۔ یہ تشخیص بنیادی طور پر بورڈ کو اس کے حکمرانی کے معیار کا جائزہ لینے میں مدد کرنے کے لیے کیا جاتا ہے کیونکہ یہ بورڈ کے اراکین کو آپ کی کمپنی کی ترقی کے لیے اپنے کردار اور ذمہ داریوں کو زیادہ مؤثر طریقے سے انجام دینے کے قابل بناتا ہے۔ بورڈ کی اپنی مجموعی کارکردگی کے خود جائزہ کا نتیجہ مقررہ معیارات کے خلاف تسلی بخش تھا۔

## چیئر مین کا جائزہ

ہمراہ چیئر مین کا جائزہ بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے ذریعے ادا کیے گئے کردار کی تاثیر سے متعلق ہے۔ ڈائریکٹرز چیئر مین کے جائزے کے مندرجات کی توثیق کرتے ہیں۔

## متعلقہ پارٹی لین دین


متعلقہ فریقوں کے ساتھ کئے گئے لین دین کو سال کے دوران بازو کی لمبائی کی بنیاد پر انجام دیا جاتا ہے اور آڈٹ کمیٹی کے ذریعے اس کی توثیق/سفرارش کی جاتی ہے اور بورڈ کی طرف سے منظوری دی جاتی ہے۔


## اعتراف

آپ کی کمپنی کے ڈائریکٹرز اپنے کسٹمرز، سپلائرز، مالیاتی اداروں اور دیگر تمام اسٹیک ہولڈرز کو سال کے دوران ان کے تعاون اور تعاون کے لیے اپنی تعریف کا اظہار کرنا چاہیں گے۔ آپ کی کمپنی کے ڈائریکٹرز بھی کمپنی کے ملازمین کی طرف سے مسلسل دی جانے والی خدمات، وفاداری اور کوششوں کے لیے اپنی گہری تعریف کا اظہار کرنا چاہیں گے اور امید کرتے ہیں کہ وہ مستقبل میں بھی ایسا کرتے رہیں گے۔

بورڈ سبکدوش ہونے والے ڈائریکٹرز کی جانب سے دی گئی انمول شراکت کے لیے اپنی تعریف ریکارڈ کرنا چاہے گا۔

بورڈ کے لیے اور اس کی جانب سے

  
ڈائریکٹر

  
چیف ایگزیکٹو آفیسر

اسلام آباد: 25 مارچ 2026

# ممبران کے لیے ڈائریکٹرز کی رپورٹ

بورڈ کے اجلاس اور حاضری

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے، حاضری کی پوزیشن حسب ذیل تھی:-

ڈائریکٹر کا نام	سٹیٹس	شرکت کردہ اجلاس کی تعداد
محترم جاوید سیف اللہ خان - چیئر مین	منتخب	04/05
محترم ہمایوں سیف اللہ خان	مقرر	04/05
محترم عثمان سیف اللہ خان	منتخب	03/05
محترم اسد سیف اللہ خان	منتخب	05/05
محترم آصف سیف اللہ خان	مقرر	04/05
محترم راشد ابراہیم	مستعفی	03/04
محترمہ صائمہ اکبر خٹک	منتخب	04/05
محترم خالد صدیق ترمذی	مقرر	01/01

\* مسز حور یوسف جی نے 04 فروری 2025 کو استعفیٰ دے دیا اور 17 فروری 2025 کو ان کی جگہ مسٹر ہمایوں سیف اللہ خان کو مقرر کیا گیا۔

\*\* جناب راشد ابراہیم نے 27 اگست 2025 کو استعفیٰ دے دیا اور جناب خالد صدیق ترمذی کو ان کی جگہ 17 اکتوبر 2025 کو مقرر کیا گیا۔ ان کی تقرری کے بعد انہیں بورڈ کی آڈٹ کمیٹی کا چیئر مین مقرر کیا گیا۔

غیر حاضری کی رخصت ڈائریکٹر (ز) کو دی گئی جو کسی میٹنگ میں شرکت نہیں کر سکے۔ ڈائریکٹرز کی موجودہ مدت اکتوبر 2026 میں مکمل ہو جائے گی جب شیئر ہولڈرز کی جنرل میٹنگ کے ذریعے ڈائریکٹرز کی تقرری کے لیے نئے انتخابات کرائے جائیں گے۔

سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے، حاضری کی پوزیشن حسب ذیل رہی۔

ڈائریکٹر کا نام	سٹیٹس	شرکت کردہ اجلاس کی تعداد
محترم راشد ابراہیم	چیئر مین / مستعفی	03/03
محترم خالد صدیق ترمذی	چیئر مین / مقرر	01/01
محترم عثمان سیف اللہ خان	ممبر	04/04
محترم آصف سیف اللہ خان	ممبر	04/04

سال کے دوران، ایک HR اور معاوضہ کمیٹی کا انعقاد کیا گیا، حاضری حسب ذیل رہی۔

ڈائریکٹر کا نام	سٹیٹس	شرکت کردہ اجلاس کی تعداد
محترمہ صائمہ اکبر خٹک	چیئر پرسن	01/01
محترم اسد سیف اللہ خان	ممبر	01/01
محترم آصف سیف اللہ خان	ممبر	01/01

### 3. بورڈ کی HR اور معاوضہ کمیٹی کی تشکیل حسب ذیل ہے:

ڈائریکٹر کا نام	ڈائریکٹر کا نام
محترمہ صائمہ اکبر خٹک	چیئر مین
محترمہ اسد سیف اللہ خان	ممبر
محترمہ آصف سیف اللہ خان	ممبر

بورڈ کا چیئر مین ایک نان ایگزیکٹو ڈائریکٹر ہوتا ہے۔ چیئر مین اور سی ای او کے عہدے الگ الگ افراد کے پاس ہوتے ہیں جن کے کردار اور ذمہ داریاں واضح طور پر متعین ہوتی ہیں۔ جیسا کہ کمپنیز ایکٹ، 2017 اور کارپوریٹ گورننس کے لسٹڈ کمپنیوں کوڈ کی ضرورت ہے، تمام ڈائریکٹرز کو متعلقہ قوانین اور کمپنی کے میورنڈم اور آرٹیکلز آف ایسوسی ایشن کے تحت ان کے فرائض اور ذمہ داریوں کے بارے میں کافی معلومات فراہم کی جاتی ہیں۔

#### ڈائریکٹرز کی ذمہ داریوں کا بیان

ڈائریکٹرز ذریعہ ذیل کے لیے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کوڈ آف کارپوریٹ گورننس کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں:

- کمپنی کے مالیاتی بیانات، جو کمپنی کی انتظامیہ کی طرف سے تیار کیے گئے ہیں، اس کی حالت کو منصفانہ طور پر پیش کرتے ہیں، بشمول اس کے کاموں کا نتیجہ، نقد بہاؤ اور ایکویٹی میں تبدیلیاں؛

- کمپنی کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔

- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

- بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS)، جیسا کہ پاکستان میں لاگو ہوتا ہے، اور مجاز اتھارٹی کی جانب سے چھوٹ کے تابع، مالیاتی گوشواروں کی تیاری میں بیرونی کی گئی ہے اور، اس سے کوئی بھی روائی (اگر کوئی ہے) کو مناسب طور پر ظاہر اور وضاحت کی گئی ہے۔

اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

- ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔

- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل دی گئی ہے۔

- بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف ہیں۔ اور اینٹیٹیشن کورسز کے ذریعے ڈائریکٹرز کو ان کے فرائض اور ذمہ داریوں سے آگاہ کیا گیا۔

- سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات کے ذریعے حصص کی کوئی تجارت نہیں ہوئی ہے۔ ڈائریکٹرز کی شیئر ہولڈنگ اس رپورٹ کے ساتھ منسلک ہے۔ اور

- بقایا ٹیکس اور لیویز کے بارے میں معلومات مالیاتی گوشواروں کے نوٹوں میں دی گئی ہیں۔

## ممبران کے لیے ڈائریکٹرز کی رپورٹ

IFRS 09 کے مطابق، 31 دسمبر 2024 کو ختم ہونے والے سال کے دوران، کمپنی نے مالیاتی اثاثوں پر متوقع کریڈٹ نقصانات کے لیے الاؤنس کو تسلیم کیا تھا۔ یہ فراہمی دانشمندانہ مالیاتی انتظام اور بین الاقوامی اکاؤنٹنگ معیارات پر عمل کرنے کے لیے ہماری وابستگی کی عکاسی کرتی ہے۔ اس اقدام نے اس بات کو یقینی بنایا کہ ہمارے مالی بیانات ہمارے مالیاتی اثاثوں سے وابستہ ممکنہ خطرات کی درست نمائندگی کرتے ہیں، اس طرح ہماری مالیاتی رپورٹنگ کی سالمیت اور وضوح سنبھالتا کو برقرار رکھا جاتا ہے۔

سال کے دوران، STML نے طویل مدتی قرض کی سہولت اور چلانے والی مالیاتی سہولت پر جمع ہونے والے تمام مارک اپ کو صاف کر دیا ہے اور کمپنی کو یقین ہے کہ STML کی نئی انتظامیہ کے اقدامات بالآخر STML کو منافع بخش ادارے میں تبدیل کر دیں گے۔

### سیف سیمنٹ لمیٹڈ کی کمپنی میں سرمایہ کاری

کمپنی کے بورڈ آف ڈائریکٹرز نے ایس سی ایل کو رضاکارانہ طور پر ختم کرنے کی سفارش کی اور کمپنیز ایکٹ 2017 کے سیکشن 353 کے تحت لیکویڈیٹر کا تقرر کیا گیا۔ سال 2024 کے آخر میں، SCL نے اپنے سیٹھنے کے دوران تمام شیئرز ہولڈرز میں ان کے متعلقہ شیئرز ہولڈنگ کے تناسب سے فاضل فنڈز اور اس کی ایکویٹی تقسیم کی۔ ایس سی ایل کے خالص اثاثے روپے ہیں۔ 7.9 ملین ٹیکس کے معاملے سے متعلق جو پشاور ہائی کورٹ میں زیر التوا ہے جسے SCL نے برقرار رکھا ہے اور اس کی تقسیم کمپنی کے حق میں سازگار فیصلے پر منحصر ہے۔

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

#### بورڈ آف ڈائریکٹرز

بورڈ کی سرگرمیاں متعلقہ قوانین اور کمپنی کی ایسوسی ایشن کے میمورنڈم اور آرٹیکلز کے تحت مقرر کردہ تقاضوں اور فرائض پر مبنی ہیں۔ اس تعمیل سے بورڈ کو تمام اسٹیک ہولڈرز کے مفادات کے تحفظ میں مدد ملتی ہے۔ بورڈ آف ڈائریکٹرز کمپنی کے نظم و نسق، انتظام اور کنٹرول میں نگرانی فراہم کرتا ہے اور کمپنی کے اہداف، مقاصد اور حکمت عملی طے کرنے اور ایسے اہداف اور مقاصد کے حصول کے لیے پالیسیاں اور رہنما اصول وضع کرنے میں مدد کرتا ہے۔

#### 1. درج ذیل ساخت کے مطابق چیف ایگزیکٹو آفیسر کو چھوڑ کر ڈائریکٹرز کی کل تعداد سات ہے:

نام	جنس	زمرہ
محترم خالد صدیق ترمذی	مرد	آزاد ڈائریکٹر
محترمہ صائمہ اکبر خٹک	خاتون	
محترم جاوید سیف اللہ خان	مرد	نان ایگزیکٹو ڈائریکٹرز
محترم ہمایوں سیف اللہ خان	مرد	
محترم عثمان سیف اللہ خان	مرد	
محترم اسد سیف اللہ خان	مرد	
محترم آصف سیف اللہ خان	مرد	
محترم جہانگیر سیف اللہ خان	مرد	چیف ایگزیکٹو آفیسر

کمپنی کے چیف ایگزیکٹو آفیسر نے 15 اکتوبر 2025 سے اپنے عہدے سے استعفیٰ دے دیا اور جناب جہانگیر سیف اللہ خان کو 24 اکتوبر 2025 سے قائم مقام چیف ایگزیکٹو آفیسر مقرر کیا گیا ہے۔

#### 2. بورڈ کی آڈٹ کمیٹی کی تشکیل حسب ذیل ہے:

ڈائریکٹر کا نام	
محترم خالد صدیق ترمذی	چیئر مین
محترم عثمان سیف اللہ خان	ممبر
محترم آصف سیف اللہ خان	ممبر

## داخلی مالیاتی کنٹرول کی مناسبت

آپ کی کمپنی کارپوریٹ گورننس کے اعلیٰ ترین معیارات کی تعمیل کرتی ہے اور، اندرونی کنٹرولرز ذمہ داران کے لحاظ سے درست ہیں اور ان پر مؤثر طریقے سے عمل درآمد گمرانی کی گئی ہے۔

## اندرونی آڈٹ اور کنٹرول

آڈٹ کمیٹی کو رپورٹ کرنے والے ایک اہل شخص کی سربراہی میں آزاد داخلی آڈٹ کا کام جاری ہے۔ کمپنی کے اندر اندرونی آڈٹنگ کا دائرہ واضح طور پر بیان کیا گیا ہے جس میں وسیع پیمانے پر داخلی کنٹرول سسٹم کا جائزہ اور جائزہ، اثاثوں کی حفاظت، اکاؤنٹنگ ریکارڈ کی درستگی اور مکمل ہونے اور مالیاتی رپورٹنگ کے فریم ورک کے حوالے سے تمام قابل اطلاق قوانین اور ضوابط کی تعمیل کو یقینی بنانا شامل ہے۔

## شیئر ہولڈنگ پیٹرن

31 دسمبر 2025 تک شیئر ہولڈنگ کے پیٹرن کا بیان رپورٹ کے ساتھ منسلک ہے۔

## آڈیٹرز

ریٹائر ہونے والے آڈیٹرز میسرز کے پی ایم جی تا شیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، اسلام آباد نے ریٹائر ہونے اور اہل ہونے کے بعد، خود کو اگلی مدت کے لیے دوبارہ تقرری کی پیشکش کی ہے۔

## مستقبل کا آڈٹ لک

انڈیپنڈنٹ پاور پروڈیوسرز (IPPS) کے لیے آپریٹنگ ماحول سال کے دوران چیلنجنگ رہا، جس کی وجہ ٹیرف کے ڈھانچے کو متاثر کرنے والے معاہدے کے انتظامات میں کم صلاحیت کے استعمال اور نظر ثانی کی وجہ سے ہے۔ اس تناظر میں، کمپنی اعلیٰ پلانٹ کی وشوسنییت اور نظم و ضبط مالیاتی انتظام کے ذریعے آپریشنل فضیلت کو یقینی بنانے پر مرکوز رہی۔ ساتھ ہی، مہنگائی کے دباؤ کو کم کرنے کے لیے ٹارگٹ لاگت کی اصلاح کے اقدامات نافذ کیے گئے۔ لاگت کی کارکردگی کو بڑھانا آگے بڑھنے کے انتظام کے لیے ایک اہم سٹریٹجک ترجیح رہے گا۔ کمپنی نے کامیابی کے ساتھ اپنے مقررہ اخراجات کی تنظیم نو کی ہے، انہیں اس سطح تک کم کر دیا ہے جو مستقبل میں نقد بہاؤ اور منافع کو مزید بہتر بنائے گا۔

سیف ٹیکسٹائل ملز اینڈ ایک منسلک کمپنی کو قرض

## • طویل مدتی قرض

کمپنی نے STML کو طویل مدتی قرض کی سہولت فراہم کی ہے۔ قرض کی تفصیلات ان مالی بیانات کے نوٹ 13.1.1 میں تفصیلی ہیں۔

سال کے دوران، STML کی درخواست پر، کمپنی کے بورڈ آف ڈائریکٹرز نے طویل مدتی قرض کی تنظیم نو کی سفارش کی جسے 26 ستمبر 2026 کو منعقدہ ایکسٹرا آرڈینری جنرل میٹنگ میں حصص یافتگان نے باضابطہ طور پر منظور کیا تھا۔ 400 ملین، طویل مدتی قرض کی رقم کو مجموعی طور پر 1,400 ملین روپے۔ انہوں نے موجودہ شرائط و ضوابط میں ترامیم کی بھی منظور دی جس میں مارک اپ کی ادائیگی کی فریکوئنسی میں سہ ماہی بنیادوں سے سالانہ بنیادوں پر 01 اکتوبر 2025 سے لاگو ہونا شامل ہے اور طویل مدتی قرض کی حقیقی میچورٹی کو برقرار رکھتے ہوئے رعایتی مدت میں مزید ڈیڑھ (1.5) سال کے لیے توسیع کی گئی۔

## • رنگ فنانس کی سہولت

کمپنی نے STML کو قلیل مدتی رنگ فنانس کی سہولت بھی فراہم کی ہے جو کمپنی کے شیئر ہولڈرز کی منظوری سے مشروط ہر سال قابل تجدید ہے۔ قرض کی تفصیلات ان مالی بیانات کے نوٹ 13.2.1 میں تفصیلی ہیں۔ سال کے اختتام کے بعد، بورڈ آف ڈائریکٹرز نے 18 مارچ 2026 کو منعقدہ اپنی میٹنگ میں اس سہولت کی ایک سال کی مدت (یعنی 15 اپریل 2027 تک) کے لیے تجدید کرنے کی سفارش کی جو کہ 16 اپریل 2020 کو ہونے والی آنے والی ایکسٹرا آرڈینری میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

# ممبران کے لیے ڈائریکٹرز کی رپورٹ

کارپوریٹ سماجی ذمہ داری اور ماحولیاتی تحفظ

• کارپوریٹ سماجی ذمہ داری

کارپوریٹ سماجی ذمہ داری (CSR) کمپنی کے تمام اسٹیک ہولڈرز کے ساتھ ایک ذمہ دارانہ اور اخلاقی تعلق کو برقرار رکھنے کے عزم کی نمائندگی کرتی ہے۔ اس سلسلے میں، کمپنی تمام قابل اطلاق قوانین اور ضوابط کی تعمیل کو یقینی بناتی ہے، کیونکہ نئی ترقی میں فعال طور پر تعاون کرتی ہے، حفاظت، صحت اور ماحولیاتی طریقوں کے اعلیٰ ترین معیارات کو برقرار رکھتی ہے، اور اپنے ملازمین کو مسابقتی اجرت اور فوائد فراہم کرتی ہے۔ کمپنی سماجی بہبود کے لیے اپنی وابستگی کا مظاہرہ مختلف تنظیموں کو باقاعدگی سے عطیات دینے کے ساتھ ساتھ فلاحی اور کمیونٹی کی ترقی کی سرگرمیوں میں ملازمین کی شرکت کی حوصلہ افزائی اور سہولت فراہم کر کے بھی کرتی ہے۔ یہ کوششیں پائیدار ترقی، کمیونٹی کی تعمیر، اور سماجی ذمہ داری کے لیے کمپنی کی جاری لگن کی عکاسی کرتی ہیں۔

• ماحولیاتی تحفظ

کمپنی ماحولیات اور قدرتی وسائل کے تحفظ کے لیے پر عزم ہے۔ اس مقصد کے لیے، کمپنی کا پاور پلانٹ خصوصی مشینری سے لیس ہے جو قومی ماحولیاتی معیار کے معیارات (NEQS) کے ساتھ مسلسل تعمیل کو یقینی بنانے کے لیے ڈیزائن کیا گیا ہے۔ کمپنی کی تکنیکی ٹیم، پلانٹ آپریٹر کے ساتھ مل کر، لاگو ماحولیاتی معیارات کی پابندی کو یقینی بنانے اور پائیدار کارروائیوں کو فروغ دینے کے لیے اخراج اور مجموعی ماحولیاتی اثرات کی باقاعدگی سے نگرانی کرتی ہے اور اس بات کو یقینی بناتی ہے کہ کسی بھی صورت میں اخراج کی قدر ماحولیاتی تحفظ ایجنسی (EPA) کے رہنما خطوط میں فراہم کردہ حدود سے زیادہ نہ ہو۔

ماحولیاتی تحفظ کے لیے اپنی وابستگی کو آگے بڑھانے کے لیے، کمپنی نے اپنے پلانٹ کے احاطے میں توانائی کی کارکردگی کو بڑھانے اور اس کے کاربن فوٹ پرنٹ کو کم کرنے کے لیے شمسی توانائی کا نظام نصب کیا ہے۔ مزید برآں، کمپنی نے ماحولیات کے تحفظ اور ماحولیاتی پائیداری میں حصہ ڈالنے کی کوششوں کے ایک حصے کے طور پر پاور پلانٹ کے آس پاس اور اس کے ارد گرد درخت لگانے کے اقدامات کیے ہیں۔

• ملازمین کی حفاظت

کمپنی اپنے کاموں کے تمام پہلوؤں میں ماحولیاتی ذمہ داری اور ملازمین کی حفاظت کو مربوط کر کے مشترکہ ذمہ داری کے کلچر کو بھی فروغ دیتی ہے۔ یہ ایک محفوظ، محفوظ، اور معاون کام کے ماحول کو برقرار رکھنے کے لیے پر عزم ہے، جسے ہر اسان کرنے کے خلاف ایک جامع پالیسی سے تقویت ملتی ہے جو ہر ملازم کے لیے وقار اور احترام کو یقینی بناتی ہے۔ خواتین کے لیے ایک محفوظ اور باختیار کام کی جگہ بنانے، شمولیت، مساوی مواقع، اور ایک ایسی ثقافت کو فروغ دینے پر خصوصی زور دیا جاتا ہے جہاں تمام ملازمین ترقی کر سکیں۔

پائیداری اور ڈی ایچ آئی کے اقدامات

بورڈ SECP کے رہنما خطوط کے مطابق ماحولیاتی، سماجی، اور گورننس (ESG) عوامل سمیت پائیداری کے خطرات سے نمٹنے کے لیے پر عزم ہے۔ ہم تنوع، مساوات، اور شمولیت (I&DE) کو فروغ دیتے ہیں اور پوری تنظیم میں صنفی مساوات کو بڑھانا جاری رکھتے ہیں۔

بنیادی خطرات اور غیر یقینی صورتحال

کمپنی نے یقینی بنایا ہے کہ کسی بھی غیر متوقع خطرات اور غیر یقینی صورتحال کو پورا کرنے کے لیے مناسب کنٹرول موجود ہیں۔ زیادہ تر مالی خطرات ٹریف کے ذریعے پورے ہوتے ہیں۔ تاہم، کمپنی کے قابل اعتماد آپریشنز کے لیے لیکویڈٹی کا خطرہ ایک غیر یقینی صورتحال کے طور پر برقرار ہے۔ اس خطرے کو، جیسا کہ اوپر روشنی ڈالی گئی ہے، بینکوں سے مناسب کریڈٹ لائنوں کا بندوبست کر کے کم کیا گیا ہے۔ مالیاتی رسک مینجمنٹ کو مالیاتی بیانات کے نوٹوں میں بھی ظاہر کیا جاتا ہے۔ آپریشنل خطرات کو بنیادی طور پر میسرز جنرل الیکٹرک انکارپوریشن (جو اصل سپلائر اور M&O کنٹریکٹرز دونوں ہیں) کو آؤٹ سورسنگ پلانٹ آپریشنز کے ذریعے اور ایک جامع اور موثر انشورنس پالیسی کے ذریعے کم کیا گیا ہے۔

## کریڈٹ ریٹنگ

کمپنی کے لیے PACRA کی ریٹنگ طویل مدت میں 'AA-' اور مختصر مدت میں 'A1' ہے جبکہ آڈٹ لک کو 'مستحکم' کے طور پر متعین کیا گیا ہے، جو کریڈٹ رسک کی کم توقع کو ظاہر کرتا ہے اور مالی ذمہ داریوں کی بروقت ادائیگی کے لیے مناسب صلاحیت کی نشاندہی کرتا ہے۔ اس میں پچھلے سال سے کوئی تبدیلی نہیں ہے۔

## زیر التوا مسائل

### (a) سوئی ناردرن گیس پائپ لائنز لمیٹڈ کے خلاف مقدمات میں

28 نومبر 2025 اور 17 فروری 2026 کو آئل اینڈ گیس ریگولیٹری اتھارٹی ("OGRA") کی جانب سے نظر ثانی شدہ IRLNG ایندھن کی قیمتوں کے ٹیرف کے نوٹیفکیشن کے اجراء کے بعد، SNGPL نے کمپنی سے IRLNG ایکچوٹائزیشن چارجز وصول کیے جو کہ 1,575 ملین (بشمول سبزی ٹیکس) روپے ہیں۔ جو مارچ 2015 سے جون 2024 تک کی مدت کا احاطہ کرتا ہے۔ جواب میں، کمپنی نے دیگر آزاد پاور پروڈیوسرز (IPPs) کے ساتھ مل کر، مارچ 2015 سے جون 2024 کی مدت کے لیے IRLNG ایندھن کی قیمت کے ٹیرف پر نظر ثانی کے لیے نیپرا کے سامنے ٹیرف کی درخواست دائر کی۔

اسی دوران، کمپنی نے دیگر آئی پی بیز کے ساتھ مل کر اوگرا کے نوٹیفکیشن کی قانونی حیثیت کو چیلنج کرتے ہوئے معزز لاہور ہائی کورٹ میں ایک رٹ پٹیشن دائر کی۔ کسی بھی ممکنہ دعوے کے خلاف کمپنی کے مفادات کے تحفظ کے لیے رٹ پٹیشن دائر کی گئی تھی۔ اوگرا کے نوٹیفکیشن کے مطابق، ایس این جی پی ایل نے کمپنی پر نظر ثانی شدہ بل بڑھا دیے ہیں۔ عدالت نے کیس کا حتمی فیصلہ آنے تک کمپنی کے حق میں حکم امتناع (اسٹے) جاری کر دیا ہے۔

کمپنی کو یقین ہے کہ نیپرا کی طرف سے نظر ثانی شدہ ٹیرف کے تعین کے بعد، پاور پر چیز ایگریمنٹ (PPA) اور IRLNG فیول عبوری معاہدے کے تحت رقوم کی وصولی کی جاسکے گی، کیونکہ IRLNG ایندھن کی لاگت کو قابل اطلاق ٹیرف رجم کے تحت پاس تھرو آؤٹ کے طور پر سمجھا جاتا ہے۔ ٹیرف کا تعین ہونے اور CPPA-G سے رقم کی وصولی کے بعد کمپنی اپنی رٹ پٹیشن واپس لے لے گی۔

سال کے اختتام کے بعد، اوگرا نے جولائی 2022 سے جون 2024 تک کی مدت پر محیط (RLNG) آر ایل این جی ایندھن کی قیمتوں کی نظر ثانی شدہ نوٹیفکیشنز جاری کیں۔ کمپنی نے دیگر آئی پی بیز کے ساتھ مل کر کمپنی کو کسی بھی ممکنہ دعوے سے محفوظ رکھنے کے لیے اسی طریقہ کار پر عمل کیا ہے۔

میسرز سوئی ناردرن گیس پائپ لائنز لمیٹڈ (SNGPL) کے خلاف مقدمے میں، کمپنی کے حق میں ثالثی کے فیصلے کے بعد 270.66 ملین روپے کی رقم (متنازعہ رقم 239.68 ملین روپے اور متعلقہ اخراجات 30.98 ملین روپے)، کمپنی نے ثالثی کے ایوارڈ کے عوض قابل نفاذ حکم نامہ حاصل کرنے کے لیے سول کورٹ لاہور میں درخواست بھی درج کر رکھی ہے۔ کمپنی نے سوئی ناردرن گیس پائپ لائن کو قابل ادارہ رقوم کے معاملے میں یہ رقم پہلے ہی ایڈجسٹ کر دی ہے۔

سوئی ناردرن گیس پائپ لائنز لمیٹڈ (SNGPL) نے ثالثی نافذ کرتے ہوئے کہا کہ کمپنی عدالت کے حکم نامے کے بغیر ایڈجسٹ نہیں کر سکتی۔ ثالثی ٹریبونل نے 22 اپریل 2022 کے اپنے فیصلے میں سوئی ناردرن گیس پائپ لائنز لمیٹڈ سے اتفاق کیا ہے۔ سوئی ناردرن گیس پائپ لائنز لمیٹڈ نے لاہور ہائی کورٹ میں درخواست دائر کی ہے۔ سال 2023 کے دوران سول کورٹ لاہور نے کمپنی کے حق میں حکم نامہ جاری کیا۔ معزز عدالت نے، ایوارڈ کو عدالت کا اصول بناتے ہوئے، ایوارڈ میں اس حد تک ترمیم کی کہ ثالث کی طرف سے دیا جانے والا سود بالترتیب 18 اگست 2014 اور ایوارڈ کی تاریخ سے نہیں بلکہ معزز عدالت کے حکم کی تاریخ سے چلے گا، اس ترمیم کو لاہور ہائی کورٹ نے برقرار رکھا۔ ایوارڈ میں سود کی تاریخ میں یہ ترمیم ثالثی کے قوانین کے خلاف ہے۔ کمپنی نے اس ترمیم کو سپریم کورٹ آف پاکستان میں چیلنج کیا ہے جس کا فیصلہ زیر التوا ہے۔ کمپنی کو یقین ہے کہ بالآخر رقم کمپنی کے پاس ہی رہے گی۔

(O) ٹیکس سے متعلق دیگر ہنگامی حالات کی تفصیلات ان سالانہ مالیاتی بیانات کے نوٹ 10.1 میں ظاہر کی گئی ہیں۔

## ممبران کے لیے ڈائریکٹرز کی رپورٹ

2024 میں اضافی فنڈز کی تقسیم کے بعد موصول ہونے والی ڈیویڈنڈ آمدنی پر، کمپنی کی جانب سے سیکشن 4 کے تحت اضافی فنڈز کی تقسیم اکم ٹیکس آرڈیننس، 2001 ("آرڈیننس") کمپنی نے ایک تفصیلی جواب جمع کرایا جس میں وجہ بتاؤ نوٹس اور کسی بھی ریکوری نوٹس کو چیلنج کیا گیا جب تک کہ سلیز ٹیکس کی واپسی پر کارروائی نہیں ہو جاتی، اگرچہ کمپنی کو انتظار کے تفصیلی فیصلے میں ایف سی سی سے ریلیف کی توقع ہے، تاہم بورڈ آف ڈائریکٹرز پاور ہولڈرز کو یقین دلاتے ہیں تو انہیں، ٹیکسز اور ٹیکسز/ڈیویڈنڈ کو پاس تھرو آئٹم کے طور پر درجہ بندی کیا گیا ہے اور بالآخر پاور خریدار کی طرف سے ادا ہونے کی توقع ہے۔

تاہم، محتاط انداز میں، کمپنی نے 2025 میں پچھلے سالوں کے ٹیکس کی مد میں 51 ملین روپے کی رقم مہیا کر رکھی ہے۔

گزشتہ پانچ سال کا اہم مالی اور مالیاتی ڈیٹا درج ذیل ہے:

2021ء	2022ء	2023ء	2024ء (Restated)	2025ء	دسمبر میں ختم ہونے والے سال کے لیے
16,394	22,870	19,044	8,061	9,189	کاروبار
-	-	-	1,360	-	GoP کے ساتھ ترمیمی معاہدے کے تحت ادائیگی میں تاخیر شدہ سود کی چھوٹ
-	-	-	252	-	مالیاتی ہتاؤں پر متوقع کریڈٹ نقصان کے لیے الاؤنس
1,959	1,951	336	(272)	(38)	خالص (نقصان) / منافع
11,711	11,302	10,863	10,213	9,607	پراپرٹی، پلانٹ اور آلات
789	-	-	-	-	ذیلی کاروبار میں سرمایہ کاری
16,552	13,867	12,166	10,825	10,411	خالص مالیت
-	-	492	952	1,322	متعلقہ کمپنی کو طویل مدتی قرض۔ متوقع کریڈٹ نقصان کے بعد خالص رقم
-	-	-	1,571	1,459	متعلقہ کمپنی کو چلتی فنانس سہولت متوقع کریڈٹ نقصان کے بعد خالص رقم
7,668	15,527	11,669	7,844	3,710	مختصر مدت کے قرضوں کے حصول
5.07	5.05	0.87	(0.70)	(0.10)	فی حصص (نقصان) / آمدنی۔ (روپوں میں)
41.90	34.53	24.61	8.88	11.95	ترسیل کالیول۔ (فیصد میں)
1,785	1,786	1,789	1,786	1,783	دستیاب صلاحیت۔ GWHs

ڈیویڈنڈ

بورڈ نے 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے 7.5 فیصد (0.75 روپے فی شیئر) کے حتمی ڈیویڈنڈ کی سفارش کی ہے۔ پچھلے سال کے 12.5 فیصد (1.25 روپے فی شیئر) کے مقابلے سال کے لیے کل ڈیویڈنڈ 17.5 فیصد (1.75 روپے فی شیئر) ہے۔

یہ ڈیویڈنڈ حکومت پاکستان (GOP) / CPPA سے موصول ہونے والی کیپیٹل ادا کیے گئے کی رقم سے ادا کی گئی۔

ایک جامع ہیٹ ریٹ ایسٹ کا انعقاد کیا گیا، جس کی نگرانی ایک آزاد کنسلٹنٹ نے کی تاکہ پلانٹ کی تکنیکی حدود اور کارکردگی کے پیرامیٹرز کی تصدیق کی جاسکے۔ ہیٹ ریٹ ٹیسٹ کے طریقہ کار کو جیسے افادیت اور صلاحیت کی تصدیق کی جاسکے۔ ہیٹ ریٹ ٹیسٹ کے طریقہ کار کو مکمل طور پر فریقین کے متفقہ اور دستخط شدہ ٹرمز آف ریفرنس کے مطابق انجام دیا گیا۔

کمپنی نے اپنے پاور پراجیکٹ ایگریمنٹ اور دیگر متعلقہ دستاویزات میں بیان کردہ تمام مخصوص پیرامیٹرز اور تکنیکی حدود کو کامیابی سے پورا کیا۔ ٹیسٹ کی کامیاب تکمیل اس بات کی تصدیق کرتی ہے کہ پلانٹ اب بھی اپنی افادیت، ہیٹ ریٹ، اور صلاحیت کی وہی سطحیں برقرار رکھے ہوئے ہے جو اس کی کمرشل آپریشن کی تاریخ 30 اپریل 2010 کو حاصل ہوئی تھیں۔

## مالی کارکردگی

جیسا کہ ان مالیاتی بیانات کے نوٹ 37.2 میں بیان کیا گیا ہے، امینڈمنٹ ایگریمنٹ کی نظر ثانی شدہ شرائط اور 13 نومبر 2025 کو جاری شدہ نظر ثانی شدہ ٹیریف کے مطابق ہم (Delay Payment Interest) تاخیر سے ادائیگی کے سود، (Trade Receivables) ادائیگی کے لیے، کمپنی نے 31 دسمبر 2024 کو ختم ہونے والے تجارتی واجبات ریونیو کے اختتامی بیلنس میں 405 ملین روپے کی ایڈجسٹمنٹ کی، جو امینڈمنٹ ایگریمنٹ کے نفاذ اور CPP اور 31 دسمبر 2024 کو ختم ہونے والے سال کے (Profit & Loss) پیش از امینڈمنٹ اور نظر ثانی شدہ ٹیریف کے فرق کا اثر ہے۔ اس نتیجے میں سال 2024 کے منافع و نقصان کے منافع 133 ملین روپے سے بدل کر سال کے 272 ملین روپے ہو گیا۔

اہل اطلاق مالیاتی رپورٹنگ فریم ورک کے تحت منصفانہ پیشکش کے تقاضوں کے مطابق، تاخیر سے ادائیگی کے سود کو موجودہ سال میں دیگر آمدنی کے طور پر پیش کیا گیا ہے اور تقابلی سال میں اس کی متعلقہ درجہ بندی نو کی گئی ہے۔ یہ درجہ بندی نو کمپنی کے رپورٹ شدہ منافع یا نقصان اور مالی حیثیت پر کوئی اثر انداز نہیں ہوتی۔

سال کے دوران، کمپنی نے 264 ملین روپے کا مجموعی منافع کمایا۔

جو کہ پچھلے سال کے 1,311 ملین روپے کے مقابلے میں کم ہے۔ تاہم، امینڈمنٹ ایگریمنٹ کے مطابق گئی ایڈجسٹمنٹ کے اثرات نے نہ صرف اس سال کے لیے ٹیکس سے پہلے منافع 14 ملین روپے (ٹیکس کے بعد نقصان 38 ملین روپے) میں تبدیل کر دیا، بلکہ پچھلے سال کے منافع 133 ملین روپے کو دوبارہ بیان کرتے ہوئے سال کے لیے ٹیکس سے پہلے نقصان 272 ملین روپے کر دیا۔ اس کے نتیجے میں فی شیئر نقصان 0.10 روپے رہا، جبکہ دوبارہ بیان شدہ پچھلے سال کے مقابلے میں فی شیئر نقصان 0.70 روپے تھا۔

کتابوں میں کمپنی کی طرف سے بنایا گیا فرسودگی الاؤنس گزشتہ 16 سالوں کے آپریشنز کے لیے استعمال نہیں کیا گیا ہے کیونکہ کمپنی کو اس پروویژن پر رقم خرچ کرنے کی ضرورت نہیں ہے۔ کمپنی جنرل الیکٹرک کو آپریشن اور دیکھ بھال دونوں کے لیے فیس ادا کرتی ہے۔ اس لیے، مستقبل میں بھی، یہ رقم کمپنی کسی آپریشن اور دیکھ بھال کے کام کے لیے استعمال نہیں کرے گی۔ مذکورہ معاہدے کے تحت اعداد و شمار میں اس کا تصور کیا گیا تھا۔ اس کے مطابق، کمپنی نے غیر نقد اشیاء کو ایڈجسٹ کرنے کے بعد سال 2025 کے لیے 622 ملین روپے کا نقد منافع کمایا ہے۔

سال کے دوران، 121 ملین روپے بغیر مختص منافع سے بیہیمننس ریزروزیں منتقل کیے گئے ہیں، جو کہ اگلے اوورہال کے لیے ایکویٹی میں تبدیلی کے بیان کے ذریعے کیا گیا، جس سے سال کے آخر میں بیہیمننس ریزرو 420 ملین روپے تک پہنچ گیا۔

سال کے اختتام کے بعد، وفاقی آئینی عدالت کے مختصر حکم کے بعد، کمپنی کو فیڈرل بورڈ آف ریونیو کی جانب سے ایک موصول ہوا جس میں سپر ٹیکس کے حساب سے 51 ملین روپے شوکار نوٹس کی وصولی پر جواب طلب کیا گیا،

# ممبران کے لیے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کو سیف پاور لمیٹڈ ("کمپنی") کی 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرنے پر خوشی ہے۔

## بنیادی سرگرمی

سیف پاور لمیٹڈ ("کمپنی") کا قیام اس بنیادی مقصد کے تحت عمل میں لایا گیا کہ ساہیوال، پنجاب میں واقع 225 میگا واٹ کی نامی گنجائش رکھنے والے کمبائنڈ سائیکل بجلی گھر کی تعمیر ملکیت، آپریشن اور دیکھ بھال کی جاسکے۔ کمپنی 30 اپریل 2007 کو دستخط کیے گئے پاور پراجیکٹ ایگریمنٹ کی شرائط کے تحت کام کر رہی ہے۔ سیف ہولڈنگز لمیٹڈ، جو کہ کمپنی کا بڑا حصص دار ہے، کمپنی میں 23.01 فیصد حصص کی ملکیت رکھتا ہے۔

## شعبہ جاتی اصلاحات اور عملی اثرات

بجلی کی لاگت میں کمی اور نیشنل گرڈ سے بجلی کی طلب میں اضافہ کرنے کے لیے متعدد اقدامات پر کام کر رہی ہے۔ سال 2025 میں کم افراط زر اور ("GoP") حکومت پاکستان معتدل معاشی نمو کے ساتھ اقتصادی بحالی دیکھنے میں آئی۔ تاہم، بجلی کی طلب کا جی ڈی پی کی شرح نمو سے تعلق کمزور پڑ گیا ہے۔ مالی سال 2025 کے دوران پاکستان کی جی ڈی پی شرح نمو 2.7 فیصد رہی جبکہ گرڈ سے حاصل ہونے والی بجلی کی طلب میں صرف 0.1 فیصد اضافہ ہوا۔ شمسی توانائی کے تیزی سے بڑھتے ہوئے استعمال نے گرڈ سے بجلی کے استعمال کو متاثر کیا ہے۔

تاہم، کمپنی کی ترسیل کی سطح میں گزشتہ سال کے مقابلے میں بہتری آئی اور یہ 8.88 فیصد سے بڑھ کر 11.94 فیصد ہو گئی۔ کمپنی اعلیٰ ترین قابل اعتمادیت، دستیابی اور بہترین عملی فیصد رہی جبکہ 2024 میں یہ 99.69 فیصد تھی، اور 99.75 (قابل اعتماد عنصر) کارکردگی کو یقینی بنانے کے لیے بہترین طریقہ کار پر عمل پیرا ہے۔ سال کے دوران قابل اعتمادیت فیصد رہی جو کہ 2024 میں 94.24 فیصد تھی۔ ڈسپچ لیول 11.94 فیصد رہی جو کہ گزشتہ سال 8.88 فیصد تھی 94.29 (دستیابی کا عنصر) دستیابی

## • بجلی کی خریداری اور نفاذ کے معاہدے میں ترامیم

حکومت کی پاور سیکٹر میں اصلاحات کے ایک حصے کے طور پر، وزیراعظم پاکستان نے وفاقی وزیر برائے بجلی کی سربراہی میں ایک انرجی ٹاسک فورس تشکیل دی جس میں ملک میں پاور کے ساتھ ترمیمی معاہدے پر دستخط کیے اور موجودہ CPPA اور GoP سیکٹر کی نگرانی کرنے والے مختلف ریگولیٹری اداروں کے ممبران شامل تھے۔ سال کے دوران، کمپنی نے ڈھانچے کو 01 نومبر 2024 سے 'ہائبرڈ ٹیک اینڈ پے' ماڈل پر نظر ثانی کرنے پر اتفاق کیا۔ نظر ثانی شدہ ٹیرف نوٹیفیکیشن 13 نومبر 2025 کو گزینڈ کیا گیا جس میں اسے 'نظر ثانی شدہ ٹیرف ایفیکٹیو ترمیمی تاریخ کے طور پر نفاذ زد کیا گیا۔ ترمیمی معاہدے کی تفصیلات ان مالی بیانات کے نوٹ 1.1 میں تفصیل سے بیان کی گئی ہیں۔

سال کے دوران، ترمیمی معاہدے کے مطابق کمپنی نے 13 اکتوبر 2024 تک واجب الادا باقیاجات کی ادائیگی موصول کر لی جو کہ 5,207 ملین روپے تھی، جس میں تاخیر سے ادائیگی کے سود کے طور پر 1,360 ملین روپے کی معافی شامل تھی۔ مذکورہ ایگریمنٹ کی تمام شرائط و ضوابط باضابطہ طور پر نافذ کی گئی ہیں، سوائے پاور پراجیکٹ ایگریمنٹ اور کے دیر سے ادائیگی کے سود کے دعووں کی چھوٹ۔ SNGPL میں ذکر ہے، اور (b) مپلیمنٹیشن ایگریمنٹ میں ترامیم کے، جیسا کہ امینڈمنٹ ایگریمنٹ کی شق 2.2

## • ہیٹ ریٹ ٹیسٹ

کمپنی اور، سال کے دوران CPPA-G، کے درمیان 11 فروری 2021 کو کیے گئے، ماسٹر ایگریمنٹ کے مطابق

# Gender Pay Gap Statement

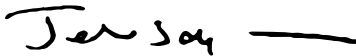
## Gender Pay Gap Statement under Circular No. 10 of 2024

Following is the gender pay gap calculated for the year ended December 31, 2025:

<b>(i) Mean gender pay gap:</b>	<b>87.09% *</b>
<b>(ii) Median gender pay gap:</b>	<b>86.35% *</b>
<b>(iii) Any other data/ details as deemed relevant.</b>	<b>-</b>

The Board is committed to formulate a gender diversity policy for recruitment, gender pay gap analysis, retention and development of female employees.

\* The location of the plant site and nature of plant operations has usually attracted fewer or no female applicants, hence the Company has only 5 (five) female employee as at December 31, 2025.



Chief Executive Officer

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

## Saif Power Limited

### Year ended December 31, 2025

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

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

a	Male	6
b	Female	1

2. The composition of board is as follows:

Independent Director*	Mr. Khalid Siddiq Tirmizey Miss. Saima Akbar Khattak
Non-executive directors	Mr. Javed Saifullah Khan Mr. Humayun Saifullah Khan Mr. Osman Saifullah Khan Mr. Assad Saifullah Khan Mr. Asif Saifullah Khan

\* The Company's board consists of eight members, one-third works out to 2.66, which is rounded down to 2 because the board remains well-balanced, with sufficient representation of qualified non-executive and independent directors who bring a wealth of experience and expertise to the Company. SPL's board ensures that the independent directors exercise full authority in their governance responsibilities while providing effective oversight.

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 that complete record of particulars of the 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. Four directors had attended training program in preceding years and three directors are meeting the exemption criteria, hence are exempt from Directors' training program;
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:
- a) **Audit Committee (Name of members and Chairman)**
- Mr. Khalid Siddiq Tirmizey Chairman
  - Mr. Osman Saifullah Khan Member
  - Mr. Asif Saifullah Khan Member
- b) **HR and Remuneration Committee (Name of members and Chairman)**
- Miss. Saima Akbar Khattak Chairperson
  - Mr. Assad Saifullah Khan Member
  - Mr. Asif Saifullah Khan 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 committee were as per following:
- a) Audit Committee -Quarterly
- b) HR and Remuneration Committee -On required basis
15. The Board has set up an effective internal audit function who are 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 the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
19. With reference to explanation for non-compliance of the non-mandatory requirements of the regulations 29 and 30, the responsibility of Nomination Committee and the Risk Management Committee are fulfilled by the Board and the Audit Committee, respectively. Therefore establishment of above mentioned committees are not required.
20. The Securities and Exchange Commission of Pakistan has inserted new regulation 10A and certain amendments to Regulation 10 & 35 of the Regulations, 2019 through its notification (S.R.O. (1)/2024) dated June 12, 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time.

-----Sd-----

Chief Executive Officer

Islamabad  
March 25, 2026

-----Sd-----

Director



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sixth Floor, State Life Building, Blue Area  
Islamabad, Pakistan  
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Saif Power Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

### Opinion

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 Saif Power Limited (the Company) for the year ended 31 December 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 31 December 2025.

*KPMG Taseer Hadi & Co.*

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Islamabad  
Date: 03 April 2026  
UDIN: CR202510240tmfPp6UHR

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# **INDEPENDENT AUDITORS' REPORT**

## **To the Members of Saif Power Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of Saif Power Limited (the Company), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of the loss 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 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.

#### **Emphasis of Matter – Comparative information**

We draw attention to note 37 to the financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2024 has been restated. Our opinion is not modified in respect of this matter.

#### **Key Audit Matter**

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

Sr No.	Key audit matters	How the matters were addressed in our audit
	<p><b>Revenue Recognition</b>  Refer to notes 3.17 and 20 of the financial statements.</p> <p>The Company has recognized net revenue of Rs. 9,188.7 million for the year ended 31 December 2025.</p> <p>We identified revenue recognition as key audit matter due to signing of amendment agreement as disclosed in note 1.1 to the financial statements. The amendment materially changed the Company’s revenue structure through reduction in capacity revenue. As per the amendment agreement, changes require judgement in interpreting contractual terms and assessing their impact on revenue recognition under the applicable financial reporting framework. Due to amendment agreement and the revenue being the key performance indicator for the Company, we have assessed this as an area of higher risk and a key audit matter.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, include the following;</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the process relating to recognition of revenue and testing the design and implementation of relevant internal controls identified over recording of such revenue.</li> <li>• Reviewing the amendment agreement for significant terms relating to the revenue and performing the recalculation of key revenue components based on revised terms.</li> <li>• Comparing the entire population of revenue transactions recorded during the year with sales invoices and acknowledgement received from customer.</li> <li>• Evaluating the accounting policy for revenue recognition adopted by the Company for compliance with applicable financial reporting framework as applicable in Pakistan.</li> <li>• Comparing the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk’s-based criteria, with the relevant underlying documentation; and</li> <li>• Evaluating the adequacy of disclosures related to revenue in the financial statements in accordance with the requirements of accounting and reporting standards as applicable in Pakistan.</li> </ul>

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

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 31 December 2025, but does not include the financial statements and our auditor’s report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the



preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' 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 auditors' 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.

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 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 statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter relating to comparative information

The financial statements of the Company as at and for the year ended 31 December 2024, excluding the adjustments described in Note 37 to the financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on 07 April 2025.

As part of our audit of the financial statements as at and for the year ended 31 December 2025, we audited the adjustments described in Note 37 that were applied to restate the comparative information presented as at and for the year ended 31 December 2024. We were not engaged to audit, review or apply any procedures to the financial statements for the year ended 31 December 2024, other than with respect to the adjustments described in Note 37 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 37 are appropriate and have been properly applied.

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

*KPMG Taseer Hadi & Co.*

**KPMG Taseer Hadi & Co.**

Chartered Accountants

Islamabad

Date: 03 April 2026

UDIN: AR202510240uisUZG1o4

# STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	Note	2025	Restated 2024
		Rupees	
<b>Share capital and reserves</b>			
Share capital	4	3,864,717,790	3,864,717,790
Unappropriated profit - revenue reserve		6,125,956,582	6,661,258,398
Maintenance reserve	5	420,317,576	299,363,804
<b>Total equity</b>		<b>10,410,991,948</b>	10,825,339,992
<b>Liabilities</b>			
Lease liabilities	6	28,133,663	62,103,243
Subordinated loan	9	643,819,937	-
<b>Non-current liabilities</b>		<b>671,953,600</b>	62,103,243
Trade and other payables	7	2,021,198,718	556,235,507
Short term borrowings	8	3,710,225,627	7,843,694,690
Current portion of subordinated loan	9	265,847,209	1,148,484,429
Unclaimed dividend		26,343,883	26,582,714
Current portion of lease liabilities	6	32,251,328	28,518,258
<b>Current liabilities</b>		<b>6,055,866,765</b>	9,603,515,598
<b>Total equity and liabilities</b>		<b>17,138,812,313</b>	20,490,958,833
<b>Contingencies and commitments</b>			
	10		
<b>Assets</b>			
Property, plant and equipment	11	9,606,757,423	10,212,779,928
Right of use assets	12	67,697,020	100,268,711
Long term loan	13	1,284,316,657	748,983,762
<b>Non-current assets</b>		<b>10,958,771,100</b>	11,062,032,401
Running finance facility	13	1,459,238,432	1,571,659,229
Current portion of long term loan	13	37,425,278	203,015,115
Inventory- high speed diesel	14	399,899,817	399,899,817
Trade and other receivables	15	3,450,602,673	7,103,249,234
Advances, deposits and prepayments	16	141,635,921	125,338,315
Advance income tax	17	61,281,653	22,540,381
Short term investments	18	618,497,965	-
Bank balances	19	11,459,474	3,224,341
<b>Current assets</b>		<b>6,180,041,213</b>	9,428,926,432
<b>Total assets</b>		<b>17,138,812,313</b>	20,490,958,833

The annexed notes from 1 to 38 form an integral part of these financial statements.

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Chief Financial Officer

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Chief Executive Officer

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Director

# STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2025

	Note	2025	Restated 2024
		Rupees	
Turnover - net	20	9,188,771,272	8,060,646,601
Cost of sales	21	(8,924,933,279)	(6,749,875,406)
<b>Gross profit</b>		<b>263,837,993</b>	1,310,771,195
Other income	22	852,798,567	2,085,240,216
Administrative expenses	23	(348,083,853)	(330,758,828)
Finance cost	24	(806,424,540)	(1,648,533,394)
Provision of write off on delay payment receivable from CPPA-G	15	-	(1,360,167,631)
Reversal / (allowance) for expected credit loss on financial assets - net	13	51,840,940	(252,451,511)
<b>Profit / (loss) before levy and income tax</b>		<b>13,969,107</b>	(195,899,953)
Levy	25	-	(76,254,969)
<b>Profit / (loss) before income tax</b>		<b>13,969,107</b>	(272,154,922)
Income tax	26	(52,416,703)	(265,926)
<b>Loss for the year</b>		<b>(38,447,596)</b>	(272,420,848)
Loss per share - basic and diluted	27	(0.10)	(0.70)

The annexed notes from 1 to 38 form an integral part of these financial statements.

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Chief Financial Officer

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Chief Executive Officer

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Director

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2025

	Note	2025	Restated 2024
		<u>Rupees</u>	
<b>Loss for the year</b>		<b>(38,447,596)</b>	(272,420,848)
<b>Other comprehensive income / (loss) for the year</b>			
<i>Items that will not be reclassified to profit or loss</i>			
<i>Remeasurement gain /(loss) on defined benefit liability</i>	7.3.2	<b>10,568,831</b>	(5,702,517)
<b>Total comprehensive loss for the year</b>		<b><u>(27,878,765)</u></b>	<u>(278,123,365)</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.

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Chief Financial Officer

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Chief Executive Officer

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Director

# STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Note	2025	Restated 2024
		Rupees	
<b>Cash flows from operating activities</b>			
Profit / (loss) before levy and income tax		13,969,107	(195,899,953)
<b>Adjustments for non-cash income and expenses:</b>			
Provision for staff retirement benefits - gratuity	7.3.2	17,228,469	12,474,877
Provision of write off on delay payment receivable from CPPA-G	15.1	-	1,360,167,631
Allowance for expected credit loss on financial assets	13.3	(51,840,940)	252,451,511
Depreciation - property, plant and equipment	11.2	636,146,494	640,022,578
Depreciation - right of use assets	12	30,014,945	16,670,546
Finance cost	24	806,424,540	1,648,533,394
Profit on deposit accounts	22	(1,507,794)	(291,247)
Dividend income	22	-	(508,366,455)
Return on investments	22	(176,529,298)	(7,324,647)
Markup on loan to STML	22	(311,061,442)	(352,190,909)
Gain on modification of subordinated loan	22	(74,402,693)	-
Gain on disposal of property, plant and equipment	22	(4,274,519)	(562,895)
Exchange gain - net	22	-	(11,690,647)
		<b>884,166,869</b>	<b>2,853,993,784</b>
<b>Changes in working capital:</b>			
Trade and other receivables	15	3,652,646,561	1,349,547,903
Advances, deposits and prepayments	16	(16,454,575)	4,824,935
Trade and other payables	7	1,487,154,091	125,746,042
<b>Cash generated from operations</b>		<b>6,007,512,946</b>	<b>4,334,112,664</b>
Income taxes paid		(91,157,975)	(13,034,475)
Levy paid		-	(76,254,969)
Finance cost paid		(1,001,852,116)	(1,929,451,919)
Contribution to staff retirement fund	7.3.2	(32,897,798)	(10,523,297)
<b>Net cash generated from operating activities</b>		<b>4,881,605,057</b>	<b>2,304,848,004</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	11	(26,831,900)	(4,855,244)
Sales proceeds on disposal of right of use asset		6,482,899	-
Acquisition of right of use asset		-	(5,043,009)
Markup received on loan to associated company	13	543,380,121	49,310,413
Proceeds from sale of property, plant and equipment		864,655	6,804,258
Disbursement of long term loan to associated company	13	(400,000,000)	(507,681,000)
Running finance facility to associated company - received	13	1,043,300,000	2,154,203,659
Running finance facility to associated company - disbursed	13	(1,081,100,000)	(3,615,985,875)
Funds received from Saif Cement - against investment		-	789,178,640
Dividend received	22	-	508,366,455
Insurance claim received		-	456,640
Profit on deposit accounts	22	1,507,794	291,247
Return on investments - receipt	22	176,529,298	7,324,647
<b>Net cash generated from / (used in) investing activities</b>		<b>264,132,867</b>	<b>(617,629,169)</b>
<b>Cash flows from financing activities</b>			
Repayment of subordinated loan	9	(162,194,492)	(321,715,921)
Dividend paid		(386,708,110)	(1,154,374,677)
Proceeds from short term borrowings	33	22,538,485,921	11,791,440,933
Repayment of short term borrowings	33	(26,466,740,762)	(15,928,669,848)
Lease liabilities paid	6	(41,847,383)	(28,387,244)
<b>Net cash used in financing activities</b>		<b>(4,519,004,826)</b>	<b>(5,641,706,757)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>626,733,098</b>	<b>(3,954,487,922)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>3,224,341</b>	<b>3,957,712,263</b>
<b>Cash and cash equivalents at end of the year</b>	34	<b>629,957,439</b>	<b>3,224,341</b>

The annexed notes from 1 to 38 form an integral part of these financial statements.

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Chief Financial Officer

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Chief Executive Officer

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Director

# STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

	Share capital	Maintenance reserve - capital reserve	Unappropriated profit - revenue reserve	Total equity
	Rupees			
Balance as at January 1, 2024	3,864,717,790	213,728,363	8,087,810,847	12,166,257,000
Loss for the year - restated	-	-	(272,420,848)	(272,420,848)
Other comprehensive loss for the year	-	-	(5,702,517)	(5,702,517)
Total comprehensive loss for the year	-	-	(278,123,365)	(278,123,365)
Transfer from unappropriated profit to maintenance reserve	-	85,635,441	(85,635,441)	-
Transaction with owners of the Company	-	85,635,441	(85,635,441)	-
Distributions				
Final dividend - 2023 @ Rs. 1.50 per share	-	-	(579,703,919)	(579,703,919)
1st interim dividend - 2024 @ Rs. 1.25 per share	-	-	(483,089,724)	(483,089,724)
Total distributions	-	-	(1,062,793,643)	(1,062,793,643)
Balance as at December 31, 2024 - restated	3,864,717,790	299,363,804	6,661,258,398	10,825,339,992
<b>Balance as at January 1, 2025</b>	<b>3,864,717,790</b>	<b>299,363,804</b>	<b>6,661,258,398</b>	<b>10,825,339,992</b>
Loss for the year	-	-	(38,447,596)	(38,447,596)
Other comprehensive income for the year	-	-	10,568,831	10,568,831
Total comprehensive loss for the year	-	-	(27,878,765)	(27,878,765)
Transfer from unappropriated profit to maintenance reserve	-	120,953,772	(120,953,772)	-
Transaction with owners of the Company	-	120,953,772	(120,953,772)	-
Distributions				
1st interim dividend - 2025 @ Rs. 1 per share	-	-	(386,469,279)	(386,469,279)
	-	-	(386,469,279)	(386,469,279)
<b>Balance as at December 31, 2025</b>	<b>3,864,717,790</b>	<b>420,317,576</b>	<b>6,125,956,582</b>	<b>10,410,991,948</b>

The annexed notes from 1 to 38 form an integral part of these financial statements.

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Chief Financial Officer

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Chief Executive Officer

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Director

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 1 Reporting entity

Saif Power Limited ("the Company") was incorporated in Pakistan on November 11, 2004 as a public limited company under the repealed Companies Ordinance, 1984 (which has now been replaced by the Companies Act, 2017) and commenced operations from April 30, 2010. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a combined cycle power plant having nameplate capacity of 225 MW (ISO) and sell the electricity to Central Power Purchasing Agency Guarantee Limited (CPPA-G / Power Purchaser). The Company has amended its Implementation Agreement on February 11, 2021 whereby National Transmission and Dispatch Company (NTDC) has been replaced with CPPA-G as Power Purchaser. Saif Holdings Limited, major share holder of the Company, holds 23.01% shareholding of the Company.

Geographical locations of the Company's business units are as follows:

- The registered office of the Company is situated at 1st Floor, Kashmir Commercial Complex Fazal-e-Haq Road, Block E, Blue Area, Islamabad; and
- Plant of the Company is situated at Chak 56/5L, Qadarabad Multan Road, District Sahiwal, Punjab, Pakistan.

**1.1** During the year ended 31 December 2024, the Company, GoP, CPPA-G and Energy Task Force (constituted by Prime Minister of Pakistan) entered into the process of altering the contractual agreements and consequently signed an Amendment Agreement on February 28, 2025. Under the amendment agreement, the Company and CPPA-G have agreed on the matters that are subject to fulfilment of certain terms and conditions and amendments to the existing Power Purchase Agreement and Implementation Agreement. Resultant of which the Company agreed to convert the existing tariff structure to 'Hybrid Take and Pay' model as proposed by the Energy Task Force. The proposed amendments are effective from November 01, 2024 subjects to certain terms and conditions to be fulfilled mutually. Following are the terms and conditions of the amendment agreement:

- Quarterly indexation for local fixed O&M and local variable O&M has been revised which shall be lower of 5% per annum or actual average National Consumer Price Index ('NCPI') for the preceding twelve months. Whereas, existing indexation mechanism for foreign fixed O&M and foreign variable O&M shall continue provided that PKR/USD depreciation will be allowed for up to 70% of the actual annual depreciation. Whereas the benefit of appreciation in PKR/USD shall be passed on to the Power Purchaser on 100% basis;
- The cost of the working capital component has been rebased and revised working capital components indexed at KIBOR + 1% in future;
- Insurance component of CPP has been capped at 0.9% of allowed EPC cost as per existing mechanism;
- The Company agreed on one time waiver of all invoices and claims including the amount receivable on account of delayed payment interest amounting to Rs. 1,360 million accumulated till October 31, 2024. Consequently as back to back arrangement, GoP has agreed to facilitate waiver of late payment interest claims of Sui Northern Gas Pipelines Limited (SNGPL) and in the event of failure, CPPA-G shall pay to the Company.
- Rate of mark-up on delayed payments by the Power Purchaser has been reduced to 3 months KIBOR + 1%;
- Power Purchaser shall pay outstanding payable as on October 31, 2024 to the Company as full and final settlement of all past payables and claims within 90 days from the date of approval of this Amendment Agreement by the Cabinet;
- GoP shall unconditionally and irrevocably withdraw and extinguish all claims against the Company under the Arbitration Submission Agreement. Further to this, LCIA Arbitration clause in PPA has been substituted with "the Arbitration under local laws with the venue of Arbitration to be Islamabad";  
During the year, the Parties have started complying with the conditions stipulated in the above-mentioned Amendment Agreement and the same has formally been executed and implemented apart from amendments in the Power Purchase Agreement, Implementation Agreement as referred in clause 2.2(b) of the Amendment Agreement and waiver of late payment interest claims of SNGPL.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

The management has also assessed the accounting implications of the above mentioned developments in relation to the impairment of Cash Generating Unit (“CGU”) comprising of tangible assets under IAS 36 ‘Impairment of Assets’. However, according to management’s assessment, there is no impact on these financial statements.

## 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:

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

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

### 2.2 Basis of measurement and preparation

These financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies in note 3.

### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupee (Rs.), which is the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest of Rupee, unless otherwise indicated.

### 2.4 Use of judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 and the results of which form the basis of making the judgments about the 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods affected. Judgments and estimates made by management in the application of accounting and reporting standards as applicable in Pakistan that may have effect on the financial statements and estimates are discussed in ensuing paragraphs:

	<b>Note</b>
- Amendment agreement	1.1
- Useful lives and residual values of property, plant and equipment	3.1
- Impairment of financial assets	3.9
- Provision for taxation	3.3
- Defined benefit plans (gratuity)	3.2
- Provisions and contingencies	3.5
- Inventory	3.6
- Impairment of non financial assets	3.11
- Leases	3.18

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

## Other

Pursuant to decisions of the Supreme Court of Pakistan related to discretionary beneficial ownership in an overseas trusts on a prudent basis and in good faith transactions with "Orastar" have been disclosed in note 31 irrespective of the absence of significant influence and the fact that the companies are not associated under the Companies Act, 2017.

## 2.5 Exemptions from applicability of accounting and reporting requirements

### 2.5.1 IFRS 9 "Financial Instruments"

SECP through S.R.O 1177 (I)/2021 dated September 13, 2021 had notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS-9 with respect to application of expected credit loss (ECL) model shall not be applicable till June 30, 2022 provided that such companies shall follow relevant requirements of IAS-39 'Financial Instruments Recognition and measurement' in respect of above referred financial assets during the exemption period. SECP has also clarified to certain companies that financial assets due from GoP include those that are directly due from GoP and that are ultimately due from GoP in consequence of circular debt. IFRS-9 introduces the ECL model, which replaces the incurred loss model of IAS-39 whereby an allowance for doubtful debt was required only in circumstances where a loss event has occurred. By contrast, the ECL model requires the Company to recognize an allowance for doubtful debt on all financial assets measured at amortised cost, irrespective of whether a loss event has occurred. In accordance with the exemption granted by SECP, ECL has not been assessed in respect of financial assets due directly/ ultimately from GoP i.e. trade and other receivables from CPPA-G. Impact of ECL on financial assets not covered under exemption has been included in these financial statements in their respective notes. During the year 2024, SECP through S.R.O 1784(I)/2024, had extended the exemption till 31 December 2025.

Subsequent to the year end, SECP through S.R.O 25(I)/2026 dated January 06, 2026 has further extended the exemption till December 31, 2026. The Company is in process of assessing the impact of this on the financial statements.

### 2.5.2 IFRS 16 "Leases"

Control of the Company's plant due to purchase of total output by CPPA-G and other arrangement under the Power Purchase Agreement (PPA) was classified as a lease under IFRIC 4 "Determining whether an Arrangement Contains a Lease" which due to exemption available to the Company were not accounted for as a lease in prior years. After applicability of IFRS-16, the Company's arrangement with CPPA-G falls under the definition of a lease as defined in IFRS-16, however, the SECP through S.R.O 986(1)/2019 dated September 02, 2019 has extended the earlier exemption from IFRIC-4 to all companies, which have entered into power purchase arrangements before January 01, 2019. The Company signed its PPA with CPPA-G on April 30, 2007, accordingly, requirement of lease accounting relating to the Company's arrangement with CPPA-G are not applicable to the Company. Had IFRS-16 been applied on transactions with Power Purchaser, impact of financial statements would have been as follows:

	2025	2024
	Rupees	
De-recognition of property, plant and equipment	<u>(9,062,033,648)</u>	<u>(9,691,310,398)</u>
Recognition of lease debtor	<u>2,983,891,270</u>	<u>3,376,573,410</u>
De-recognition of trade debts	<u>(140,049,574)</u>	<u>(519,706,192)</u>
Decrease in unappropriated profit at January 01	<u>(6,834,733,251)</u>	<u>(2,062,005,655)</u>
Increase / (decrease) in profit for the year	<u>616,541,300</u>	<u>505,193,244</u>
Increase / (decrease) in profit due to modification of lease	<u>-</u>	<u>(5,277,920,841)</u>
Decrease in unappropriated profit at December 31	<u>(6,218,191,951)</u>	<u>(6,834,733,251)</u>

The estimated significant decrease in unappropriated profit is due to the effect of modification of lease consequent to reduction in the guaranteed capacity for RoE component.

### 2.5.3 Initial application of standards, amendments or interpretations to existing standards

The following amendments to existing standards are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 2.5.3.1 Standards, amendments to published standards and interpretations effective in the current year

There are certain amendments to existing accounting and reporting standards that are applicable for the financial year beginning on January 01, 2025 but do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

## 2.5.3.2 Standards and amendments to existing accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There are standards and certain amendments to existing accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 01, 2025. The standards and amendments are not expected to have any material impact on the Company's financial reporting. The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2026.

### (a) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

#### - Financial Assets with ESG-Linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met. The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 01 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

#### - Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

## - Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features: The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments: The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

## (b) Annual Improvements to IFRS Accounting Standards – Amendments to:

- 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

The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables: Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9: When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

## Contracts Referencing Nature-dependent Electricity – (Amendments to IFRS 9 and IFRS 7)

Amendments to IFRS 9 and IFRS 7 address the challenges faced by Companies in applying IFRS 9 Financial Instruments to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements (PPAs). The IASB has also added new disclosure requirements for certain PPAs to IFRS 7 Financial Instruments: Disclosures.

The amendments include guidance on:

- The 'own-use' exemption for purchasers of electricity under such PPAs; and
- Hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.

The amendments for the own-use exemption:

- Existing IFRS 9 guidance left ambiguity on whether PPAs could qualify for the own-use exemption (i.e., not accounted for as derivatives).
- The amendments allow a company to apply the own-use exemption to PPAs if the company has been, and expects to be, a net-purchaser of electricity for the contract period.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

- The amendments apply retrospectively using facts and circumstances at the beginning of the reporting period of initial application, without requiring prior periods to be restated.

The amendments for hedge accounting:

- Virtual PPAs and other PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL. Hedge accounting under IFRS 9 can help reduce volatility by reflecting how PPAs hedge future electricity purchases or sales, but applying it presents challenges. A key issue arises from a mismatch between the P50 estimate used to measure the PPA and the P90 estimate required for the highly probable hedged transaction, which may prevent hedge accounting qualification. Subject to certain conditions, the amendments permit designation of a variable nominal volume of forecasted renewable electricity sales or purchases as the hedged transaction, rather than a fixed volume based on P90 estimates. This variable volume reflects what is expected to be delivered by the referenced generation facility, supporting an economic offset and enabling hedge accounting. A P50 estimate indicates the volume of energy production expected to be exceeded with 50 percent probability. A P90 estimate indicates the volume of energy production expected to be exceeded with 90 percent probability.
- The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship if the same hedging instrument is designated under the new requirements.

The new disclosure requirements:

- A company may apply the own-use exemption to certain PPAs under the amendments and therefore would not recognise these PPAs in its statement of financial position.
- Where this is the case, a company is required to disclose further information such as:
  - contractual features exposing the company to variability in electricity volume and risk of oversupply;
  - estimated future cash flows from unrecognised contractual commitments to buy electricity in appropriate time bands;
  - qualitative information about how the company assessed whether a contract might become onerous; and
  - qualitative and quantitative information about the costs and proceeds associated with purchases and sales of electricity, based on the information used for the 'net-purchaser' assessment.
- In addition, for PPAs designated in a cash flow hedging relationship, companies need to disaggregate the information disclosed about terms and conditions by risk category.

The amendments apply for reporting periods beginning on or after 01 January 2026. Early application is permitted.

## (c) Adoption of IFRS 18 and IFRS 19

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444(I)/2025 dated December 12, 2025 has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633(I)/2014, shall be replaced with "IFRS-18, Presentation and Disclosure in Financial Statements" and "IFRS-19, Subsidiaries without Public Accountability: Disclosures", and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after January 01, 2027.

Provided that only unlisted subsidiaries without public accountability (i.e. unlisted companies other than those mentioned in clauses 1(b)(ii), 1(b)(iia) and 1(b)(iii) of the Third Schedule to the Act) may follow "IFRS-19, "Subsidiaries without Public Accountability: Disclosures" in preparation of their financial statements.

## (d) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Amendments to IFRS 10 and IAS 28 amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

The Company is still assessing the impact of the new accounting, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cashflows and the additional disclosures required.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

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

### 3.1 Property, plant and equipment

#### Owned

These are stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land, stores held for capitalisation and capital work in progress which are stated at cost less impairment loss, if any. Cost comprises purchase price, including import duties, non-recourse purchase taxes and other related costs of bringing the asset to its present working condition and location for intended use. Exchange gains or losses on long term foreign currency loans utilized for acquisition of assets are added to / deducted from cost of respective asset in accordance with note 3.7.

Depreciation is charged to profit or loss on straight line method at the rates given in note 11, after taking into account their respective residual values if any, so as to write off the depreciable amount over their estimated useful lives whereby depreciable amount adjusted for above exchange rate movements of an asset is written off over its remaining estimated useful life. Depreciation is charged from the month asset is available for use and ceases at the date the asset is derecognized.

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

Normal repairs and maintenance are charged to profit or loss as and when incurred whereas major improvements and modifications are capitalized. An item of property, plant and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss.

### 3.2 Staff retirement benefits - Defined benefit plan

The Company operates a funded gratuity scheme which is established and governed under the provisions of the Trusts Act, 1882. It is administered by a Board of Trustees. The Fund is approved by the Federal Board of Revenue (FBR). It covers all permanent employees completing the minimum qualifying period of service, for which liability is recognised in the Company's financial statements. Gratuity plan entitles a retired employee to receive gratuity equivalent to last drawn salary into eligible number of years of service. The gratuity plan is administered by a gratuity fund that is legally separated from the Company and is funded by the Company based on actuarial valuation. Employees are not required to contribute to this plan. The assets of the fund plan are held independently in a separate fund. The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligations are calculated annually by independent actuary using the projected unit credit method. The latest actuarial valuation was carried out by the Company as at December 31, 2025. The details of actuarial valuation are given in note 7.3 to these financial statements. The Company recognizes service costs (including current and any past service costs/curtailments) and net interest expense (income) on the net defined benefit liability (asset) in the statement of profit or loss. The actuarial gains and losses are recognised in other comprehensive income in the year in which they arise. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

future refunds from the plan or reductions in future contributions to the plans.

The calculation of defined benefit liability requires assumptions to be made of future outcomes, the principal ones being in respect of expected salary growth, expected mortality of active members and the discount rate used to convert future cash flows to current values. Calculations are sensitive to the changes in assumptions used.

The present values of the defined benefit obligations are determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds or the market rates on government bond. These are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

## 3.3 Taxation

### (a) Current

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. Further, Under clause 11A (v) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the company is also exempt from the levy of minimum tax on turnover under section 113 of the Income Tax Ordinance, 2001.

### (b) Deferred

Deferred tax has not been provided in these financial statements as 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.

The Company takes into account the current income tax law and decisions taken by the tax authorities. Significant judgment is required in determining the income tax expenses and corresponding provision for tax. Such judgments are reassessed whenever circumstances change or new information becomes available. Where, at the assessment stage, the taxation authorities adopt a different tax treatment and the company considers that the most likely outcome will be in its favour, the amounts are shown as contingent liabilities.

## 3.4 Levies

Any tax charged under the income tax laws which is over and above the tax charged based on the taxable income is classified as levy in the statement of profit or loss as these levies fall under the scope of IAS 37 'Provisions, Contingent liabilities and contingent assets' / IFRIC 21 'Levies'.

## 3.5 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost, if any.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Where 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, it is disclosed as contingent liability.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 3.6 Inventory - High Speed Diesel

These are valued at lower of cost and net realisable value. Cost is determined using weighted average cost method. Cost of inventory comprises of the purchase price and other direct costs incurred in bringing the inventory items to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

The Company reviews the carrying amount of stock in trade on regular basis and provision is made for obsolescence, if there is any change in usage pattern and physical form of related stock in trade.

## 3.7 Foreign currency transactions and translations

Foreign currency transactions are recorded in Pak Rupees, which is the Company's functional currency, at the rate of exchange prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevalent on the reporting date. Non monetary assets that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are accounted for as follows:

- (i) Exchange differences related to principal amount of foreign currency loans obtained for financing of the plant and machinery are capitalised and depreciated over the remaining useful life of the related assets in accordance with SRO 24(1)/2012 of SECP.
- (ii) All other exchange differences are charged to profit or loss on net basis.

## 3.8 Financial instruments - Initial recognition and subsequent measurement

### Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be with the exception of trade debts which do not contain a significant financing component and the Company has applied the practical expedient to measure them at the transaction price.

### Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at amortised cost.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

## Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at amortised cost.

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

## Subsequent measurement

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

Financial assets and liabilities at amortised cost are initially recognised at fair value plus/minus transaction cost, and subsequently carried at amortised cost, using the effective interest rate (EIR) method, and in the case of financial assets, less any impairment.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

## Derecognition

### i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in the statement of profit or loss.

### ii) Financial liabilities

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

## Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## 3.9 Impairment of financial asset

The Company recognises loss allowance for expected credit loss (ECL) on financial assets measured at amortised cost except for financial assets due directly / ultimately from GoP which includes trade debts and other receivables in respect of which applicability of ECL model is deferred by SECP as explained in note 2.5.1. For financial assets measured at amortized costs that are subject to ECL, the Company uses general 3-stage approach to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instruments has not increased significantly since initial recognition.

The Company considers the probability of default at initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Company evaluates

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

credit risk at each reporting date considering both quantitative and qualitative indicators including days past due, downgrade in external or internal credit rating, financial ratios, restructuring of financial assets due to financial difficulty of the counter party.

The Expected Credit Loss (ECL) is measured on either a 12-month (12.M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be creditimpaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- a. The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12.M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- b. EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime (Lifetime EAD).
- c. Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure.

The measurement of the expected credit loss ("ECL") allowance for financial assets requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of counter parties defaulting and the resulting losses). Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including the various formulas and choice of inputs;
- Determining the criteria if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss Given Default (LGDs); and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The Company recognizes that IFRS 09 requires expected credit losses (ECL) to be estimated using an unbiased and probability-weighted approach. This means that the Company does not rely on a single economic forecast but instead considers a range of possible outcomes when estimating ECL. To incorporate forward-looking information, the Company considers key macroeconomic indicators that have historically influenced credit risk and default probabilities. These macroeconomic indicators include but not limited to:

- Gross domestic product (GDP)
- Exchange rates (ER)

The Company assesses the impact of these variables on credit risk and expected credit losses using both internal and external sources of economic data. The Company employs a multi-scenario approach in line with IFRS 9 guidance. At each reporting date, ECL is calculated for at least three economic scenarios; "base case", "better case" and "worst case":

- Base case is the most likely outcome and represents the central expectation of future economic conditions.
- Better case assumes better-than-expected economic growth and improved counter party's performance.
- Worst case reflects economic downturn, rising unemployment, and increased counter party's defaults.

The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date, accordingly, the ECL amount is not material in the context of overall financial statements.

- Other receivables;
- Advances to employees;
- Security deposits;
- Bank balances; and
- Short term investments.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

Long term loan and running finance facility provided to the associated Company are determined to have increased credit risk since initial recognition as at the reporting date, accordingly, a life time ECL has been recognized in the financial statements.

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

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

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

## **Provision against financial assets not subject to ECL model**

As referred to note 2.5.1, the Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due directly / ultimately from Government of Pakistan (GoP) till 31 December 2026. Accordingly, the Company reviews the recoverability of its trade debts that are due directly / ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

The Company's assessment of objective evidence of impairment with respect to over due amounts on account of intercorporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

## **3.10 Finance income and finance cost**

Finance income comprises profit on deposit accounts, profit on short term investment and late payment interest earned on overdue receivables from CPPA - G. Profit on deposit accounts is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Income on term deposit receipts is recognised on time proportion basis taking into account the effective yield of such securities.

Finance cost comprises interest expense on borrowings, interest on finance lease liabilities, bank charges, exchange loss - net and other charges on borrowings. Mark-up and other charges on borrowings other than expense incurred on qualifying assets are charged to profit or loss in the period in which they are incurred.

## **3.11 Impairment of non-financial assets**

The carrying amounts of non-financial assets other than inventories, 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. For impairment assessment, assets are grouped at the lowest levels that generate largely independent cash inflows (cash-generating units). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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 does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 3.12 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises of cash at banks and includes short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

## 3.13 Provision for Workers' Profit Participation Fund

The Company does not account for provision for Workers Profit Participation Fund (WPPF) in its profit or loss as they are pass through items to CPPA-G under the PPA. In case the liability arises, it is recovered from CPPA-G.

## 3.14 Dividend

Dividend to the shareholders is recognised as liability in the period in which it is declared.

## 3.15 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

## 3.16 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.

## 3.17 Revenue recognition

The Company has entered into PPA with NTDC for a period of 30 years starting from its commercial operation date i.e. April 30, 2010. Under the PPA, the Company is obligated to sell and deliver all output of the Complex in accordance with provisions of PPA. The Company's arrangement with NTDC falls under the definition of lease under IFRS-16 for which exemption is available to the Company. Accordingly, revenue is recognised 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 recognised over time, based on the capacity made available to CPPA-G, at the rates specified under the PPA and revised reference tariff determined by National Electric Power Regulatory Authority (NEPRA) and after incorporation of relevant applicable quarterly indexation; and
- Energy Purchase Price revenue is recognised at a 'point in time', as and when the Net Electrical Output (NEO) are delivered to CPPA-G.

Capacity price invoices are generally recorded and/or raised on a monthly basis and are due after 30 days from the date of acknowledgement by power purchaser. Energy Purchase Price (EPP) invoices for the Re-Gasified Liquefied Natural Gas (RLNG) fuel cost component are raised on a weekly basis (as per operation of the plant) and are due

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

after 3 days from the date of acknowledgement by the Power Purchaser. Similarly, EPP invoices for High-Speed Diesel (HSD) fuel cost component and variable operations and maintenance are raised on a monthly basis and are due after 30 days from the date of acknowledgement by CPPA - G.

All invoices are raised to the Power Purchaser as per calculation guidelines and methodology specified in the Power Purchase Agreement. These invoices are calculated on the tariff notified by NEPRA and adjusted as and when changes occur due to tariff revisions.

## 3.18 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The Company's leases and right of use assets include vehicles for office use and office building.

### Right of use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right of use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Rates of depreciation are mentioned in note 12.

### Lease liabilities

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments.

Payment associated with short-term and low value leases are recognized on straight line basis and charged to profit or loss from the period.

The Company exercises judgements when determining the lease term of contract with renewal and termination options. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

	2025	2024
	Rupees	
<b>4 SHARE CAPITAL</b>		
<b>4.1 Authorised share capital</b>		
405,000,000 (2024: 405,000,000) ordinary shares of Rs.10 each	<b>4,050,000,000</b>	4,050,000,000
<b>4.2 Issued, subscribed and paid-up capital</b>		
386,471,779 (2024: 386,471,779) ordinary shares of Rs.10 each fully paid in cash	<b>3,864,717,790</b>	3,864,717,790
<b>4.3</b> Saif Holdings Limited holds 88,909,517 i.e., 23.01% (December 31, 2024: 88,909,517 i.e., 23.01%) ordinary shares of Rs.10 each at the reporting date. Further, 66,367,746 (December 31, 2024: 51,420,587) and 26,239,312 (December 31, 2024: 57,063,852) ordinary shares of Rs. 10 each are held by directors and related parties respectively. Orastar Limited holds 66,022,504 (December 31, 2024: 66,022,504) ordinary shares of the Company.		
<b>4.4</b> 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 MAINTENANCE RESERVE

Overhauls of the complex are at certain intervals based on Factored Fired Hours (operating hours) as per terms and details of the O&M agreement. The amount of such overhauls has been calculated on the basis of operating hours and such amount has been appropriated to Maintenance Reserve through statement of changes in equity. After completion of specified Factored Fired Hours, an overhaul activity is conducted resultantly the amount is transferred from maintenance reserve to retained earnings.

	2025	2024
	Rupees	
<b>6 LEASE LIABILITIES</b>		
Lease liabilities	<b>60,384,991</b>	90,621,501
Less: current portion	<b>(32,251,328)</b>	(28,518,258)
<b>Non current portion</b>	<b>28,133,663</b>	62,103,243

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

Movement of lease liabilities under IFRS 16 is as follows:

	Vehicles	Building	Total
	----- Rupees -----		
Balance at January 01, 2024	16,237,992	-	16,237,992
Addition during the year	34,840,043	60,328,915	95,168,958
Adjustment / disposal during the year	(4,356,591)	-	(4,356,591)
Interest for the year	7,028,127	4,930,259	11,958,386
Payments during the year	(16,807,244)	(11,580,000)	(28,387,244)
Balance at December 31, 2024	36,942,327	53,679,174	90,621,501
<b>Addition during the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adjustment / disposal during the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest for the year</b>	<b>3,964,205</b>	<b>7,646,668</b>	<b>11,610,873</b>
<b>Payments during the year</b>	<b>(16,623,107)</b>	<b>(25,224,276)</b>	<b>(41,847,383)</b>
<b>Balance at December 31, 2025</b>	<b>24,283,425</b>	<b>36,101,566</b>	<b>60,384,991</b>

Maturity analysis of undiscounted lease payments that will be paid after the reporting date is as follows:

	Note	2025	2024
		----- Rupees -----	
Less than one year		38,406,727	42,024,643
One to two years		21,889,297	40,934,677
Two to three years		6,426,852	23,815,215
Three to four years		2,648,526	7,830,300
Four to five years		-	2,648,526
		<b>69,371,402</b>	117,253,361
Interest cost		<b>(8,986,411)</b>	(26,631,860)
		<b>60,384,991</b>	90,621,501
<b>Amounts recognized in profit and loss</b>			
Interest for the year	24	<b>11,610,873</b>	11,958,386
Short term leases	6.1	<b>3,952,390</b>	11,448,032

6.1 This represents expense for short term lease of guest houses in Lahore and Okara.

## 7 TRADE AND OTHER PAYABLES

Creditors	7.1	1,909,424,163	438,903,080
Other payables		51,707,025	12,819,966
Payable to Workers' Profit Participation Fund	7.2	-	-
Payable to Saif Power Limited - Staff Gratuity Fund	7.3	10,706,918	32,897,798
Accrued liabilities		39,395,425	69,322,172
Withholding tax payable		9,965,187	2,292,491
		<b>2,021,198,718</b>	556,235,507

7.1 This includes Rs. 1,576 million (2024: Rs. 9 million) payable to Sui Northern Gas Pipelines Limited (SNGPL), a related party, on account of procurement of supplies. On November 28, 2025, the Oil and Gas Regulatory Authority (OGRA) issued revised/final RLNG fuel price notifications for the period from March 2015 to June 2022 and on 17 February 2026, the revised/final RLNG fuel price notifications for the period from July 2022 to March 2024 respectively. In response, the Company, together with other Independent Power Producers (IPPs), filed a tariff application before NEPRA seeking revision of the RLNG fuel price tariff for the said period.

In parallel, the Company, along with other IPPs, filed a writ petition before the Honorable Lahore High Court challenging the legality of the OGRA notification. The writ petition was filed to safeguard the Company's interests against any potential claims. Pursuant to the OGRA notification, SNGPL has raised revised bills on the Company. The Court has granted a stay in favor of the Company until the final decision of the case.

The Company is confident that, upon determination of the revised tariff by NEPRA, the amounts will be recoverable under the Power Purchase Agreement (PPA) and the RLNG Fuel Interim Agreement, as RLNG fuel costs are treated as a pass-through item under the applicable tariff regime. The Company will withdraw its writ petition once the tariff is determined and the amounts are recovered from CPPA-G.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	2025	Restated 2024
		Rupees	
<b>7.2 Movement in payable to Workers' Profit Participation Fund is as follows:</b>			
Balance at January 01,		-	16,805,181
Provision for the year - restated		-	-
Payments made during the year		-	(16,805,181)
Balance at December 31,		-	-

## 7.3 Payable to Saif Power Limited - Staff gratuity fund

The amount recognised in the statement of financial position is as follows:

Present value of defined benefit obligation	7.3.1	<b>88,451,829</b>	178,806,119
Less: Fair value of plan assets	7.3.2	<b>(77,744,911)</b>	(145,908,321)
<b>Net defined benefit liability</b>		<b>10,706,918</b>	<b>32,897,798</b>

### 7.3.1 The movement in present value of defined benefit obligation is as follows:

Balance at January 01,		<b>178,806,119</b>	125,147,685
<b>Included in profit or loss</b>			
Current service cost		<b>15,213,479</b>	12,725,575
Interest cost		<b>14,729,092</b>	18,240,336
		<b>29,942,571</b>	30,965,911
<b>Included in other comprehensive income</b>			
<b>Remeasurement loss:</b>			
Actuarial (loss) / gain		<b>(7,206,871)</b>	15,789,300
<b>Others</b>			
Benefits paid		<b>(117,137,270)</b>	(14,456,274)
Liability transferred from other group company		<b>4,047,280</b>	21,359,497
<b>Balance at December 31,</b>		<b>88,451,829</b>	<b>178,806,119</b>

### 7.3.2 The movement in fair value of plan assets is as follows:

Balance at January 01,		<b>145,908,321</b>	121,263,481
<b>Included in profit or loss</b>			
Interest income		<b>12,714,102</b>	18,491,034
<b>Included in other comprehensive income</b>			
Return on plan assets excluding interest income		<b>3,361,960</b>	10,326,741
<b>Others</b>			
Contribution by the company		<b>32,897,798</b>	10,523,297
Benefits paid		<b>(117,137,270)</b>	(14,696,232)
<b>Balance at December 31,</b>		<b>77,744,911</b>	<b>145,908,321</b>
<b>Breakup of plan assets is as follows:</b>			
Cash at bank		<b>1,643,727</b>	24,404
Cash balance in CDC account		<b>3,807</b>	3,807
<b>Not having quoted market price</b>			
Treasury bills		<b>56,061,483</b>	130,851,795
Term finance certificates		<b>15,025,130</b>	15,028,315
Faysal Halal Amdani Fund-II		<b>5,010,764</b>	-
		<b>77,744,911</b>	<b>145,908,321</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	2025	2024
		Rupees	
<b>The movement in liability recognised in the statement of financial position is as follows:</b>			
Opening liability		32,897,798	3,884,204
Expense for the year		17,228,469	12,474,877
Remeasurement (gain) / loss recognized in other comprehensive income during the year		(10,568,831)	5,702,517
Contribution by the company		(32,897,798)	(10,523,297)
Liability transferred from other group company		4,047,280	21,359,497
<b>Closing liability</b>		<b>10,706,918</b>	<b>32,897,798</b>
<b>Allocation of gratuity expense is as follows:</b>			
Cost of sales	21.1	4,157,381	7,799,731
Administrative expenses	23.1	13,071,088	4,675,146
		<b>17,228,469</b>	<b>12,474,877</b>

Gratuity plan entitles a retired permanent employee to receive gratuity equivalent to last drawn salary into eligible number of years of service. The gratuity plan is administered by a gratuity fund that is legally separated from the Company and is funded by the Company based on actuarial valuation. The latest actuarial valuation was carried out by an independent actuary on December 31, 2025 using projected unit credit actuarial cost method. Expected gratuity expense for the next financial year is Rs. 10,826,280. Employees are not required to contribute in this plan. This defined benefit plan exposes the Company to the following actuarial risks:

**(a) Final salary risk**

The risk that the final salary at the time of cessation of service is greater than what is assumed for the actuarial valuation. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

**(b) Demographic risks**

**-Mortality risk**

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

**-Withdrawal risk**

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

**(c) Investment risk**

The risk of the investment underperforming and being not sufficient to meet the liabilities.

	2025	2024
----- Rupees -----		
<b>Significant actuarial assumptions</b>		
Discount rate used for interest cost	12.25%	15.50%
Discount rate used for year end obligation	11.50%	12.25%
Future salary growth	11.00%	11.75%
Expected mortality for active members	As per SLIC 2001-2005 setback 1 Year	As per SLIC 2001-2005 " setback 1 Year
Average duration of define benefit obligation	11 years	5 years

**Sensitivity analysis**

The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on Projected Credit Unit Method. Reasonably possible changes at the reporting date in one of the relevant actuarial assumptions, holding other assumptions constant, the revised balances of the defined benefit obligations are shown below;

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

- For the year ended 31 December 2025

Discount rate (1% movement) - Rupees  
Future salary growth (1% movement) - Rupees

Increase	Decrease
79,235,102	99,373,857
99,529,209	78,936,642

- For the year ended 31 December 2024

Discount rate (1% movement) - Rupees  
Future salary growth (1% movement) - Rupees

171,021,693	190,144,290
190,301,600	170,728,530

	2025	2024
<b>Maturity analysis</b>	<b>Rupees</b>	
Within one year	6,323,510	34,666,635
Two to five years	41,873,146	124,003,657
Six to ten years	50,296,178	48,465,764
More than ten years	1,383,673,905	1,530,270,515
Weighted average duration - in years	11 years	5 years

The Company manages the risks associated with its defined benefit gratuity plan through an asset-liability matching strategy. The objective of this strategy is to reduce the volatility of the net defined benefit obligation by aligning the characteristics of the plan assets with the nature and timing of the related liabilities.

In line with this approach, the gratuity fund primarily invests in fixed-income instruments with maturities and durations that are broadly aligned with the expected timing of future benefit payments as disclosed above. This helps to reduce exposure to changes in interest rates, which is a key driver of movements in the present value of the defined benefit obligation. The investment portfolio also emphasizes high-quality, low-risk instruments to preserve capital and ensure liquidity for meeting benefit payments as they fall due.

		2025	2024
<b>8</b>	<b>SHORT TERM BORROWINGS</b>	<b>Rupees</b>	
	<i>From banking companies</i>		
	Working capital facilities - secured	2,066,951,054	5,162,505,305
	Short term musharakah facilities - secured	1,536,891,602	2,369,592,193
		3,603,842,656	7,532,097,498
	Markup accrued on short term borrowings	106,382,971	311,597,192
		3,710,225,627	7,843,694,690

**8.1** The Company has obtained working capital facilities amounting to Rs. 4.7 billion (2024: Rs. 9.16 billion) from several commercial banks for meeting the working capital requirements, expiring on various dates during 2026. Effective markup rates during the year on these facilities range between 11.77% to 14.31% (2024: 15.58% to 23.12%) per annum with no floor or cap and are payable in arrears on quarterly basis. The facilities are secured by way of mortgage charge on fuel stocks inventory and energy payment receivables up to Rs. 13.5 billion (2024: Rs. 27.55 billion) and subordinated / ranking charge on all present and future fixed assets and properties of the Company for an amount of Rs. 1.42 billion (2024: Rs. 1.21 billion).

**8.2** The Company has obtained short term Islamic finance facilities from Islamic banks subject to a maximum limit of Rs. 3 billion (2024: Rs. 5.8 billion). Effective variable markup rate during the year on these facilities ranges between 11.67% to 16.69% (2024: 15.46% to 23.24%) per annum and are secured by pari passu / ranking charge on fuel stock and energy purchase price receivables of the Company up to Rs. 7.73 billion (2024: Rs. 8.36 billion) and subordinated / ranking charge on all present and future fixed assets and properties of the Company up to Rs. 0.21 billion (2024: Rs. 0.42 billion).

### 8.3 Letter of guarantee / credit

Letter of guarantee / stand by letter of credit amounting to Rs.2 billion (2024: Rs. 2 billion) are available to the Company which were fully utilized at the year end (2024: Rs. 2 billion). These facilities are secured against the ranking charge over all present and future fixed assets amounting to Rs. 2.6 billion (2024: Rs. 2.85 billion). The said guarantee is being issued in favour of Sui Northern Gas Pipeline Limited (SNGPL), a related party.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

9	SUBORDINATED LOAN	Note	2025	2024
			Rupees	
	<i>Unsecured</i>			
	<b>Balance at January 01,</b>		<b>1,148,484,429</b>	1,652,979,811
	Capitalization of exchange loss / (gain) during the year	9.1	<b>3,808,380</b>	(8,378,623)
	Markup accrued during the year		<b>43,246,484</b>	25,599,162
	Exchange loss charged to profit or loss		<b>5,010,423</b>	-
	Gain on modification		<b>(74,402,693)</b>	-
	Repayment during the year		<b>(216,479,877)</b>	(521,715,921)
	<b>Balance at December 31,</b>	9.2	<b>909,667,146</b>	1,148,484,429
	Less: Current portion		<b>(265,847,209)</b>	(1,148,484,429)
			<b>643,819,937</b>	-

**9.1** This represents remaining balance of US \$ 862,278 (2024: US \$ 1,437,125) from the original foreign currency loan of US \$ 8,946,353 obtained from Orastar Limited, incorporated under the laws of British Virgin Island (BVI). The loan is duly registered with the State Bank of Pakistan (SBP). The loan carries markup at the rate of 3 month's USD LIBOR plus 3% per annum and is payable in quarterly installments in a period of six years starting from January 01, 2019 subject to availability of surplus funds for distribution. As per loan agreement, the Company can also issue shares to Orastar Limited in lieu of repayment on mutually agreed basis. Exchange loss on principal part of subordinated loan has been capitalised in accordance with note 3.6(i). During the year, the Company and Orastar have mutually agreed to reschedule the repayments and have registered the revised schedule with SBP on September 11, 2025. As per the revised schedule, the Company will make the payments outstanding under the loan in quarterly instalments starting from September 30, 2025 till March 31, 2027. Accordingly, the impact of modification has been appropriately accounted for in these financial statements.

**9.2** This includes Rs. 667 million (December 31, 2024: Rs. 748 million) on account of markup accrued on sub-ordinated loan at the end of the year.

## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies:

**10.1.1** In 2014, the tax authorities raised sales tax demand of Rs. 1,498.51 million by partially disallowing input sales tax for the tax periods 2010 to 2013 by apportioning the total claim to energy purchase price and capacity purchase price, the latter being not subject to sales tax. On appeal filed by the Company on 25 March 2014, the Appellate Tribunal Inland Revenue (ATIR) directed the taxation officer to decide the matter in line with judgment of the Honorable High Court in parallel cases. Consequently, at present, the aforesaid tax demand is no more payable. Tax Authorities, against the decision of ATIR, filed reference application under section 47 of the Sales Tax Act, 1990 before the Honorable Islamabad High Court on October 16, 2015. However, in case the matter is eventually resolved against the Company, the tax payment will be claimable under the Power Purchase Agreement. Based on the advice of the Company's tax consultants and decision of the Honorable Lahore High Court in a parallel case, the Company's management believes that the contention of tax department even after filing of reference application does not commensurate with the related statutory provisions and the issue is likely to be decided in favor of the Company. During the year, on application filed by the tax department, the petition has been admitted in Honorable Islamabad High Court and is awaiting adjudication at the year end.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

- 10.1.2** For Tax Year 2015, the assessing officer raised demand of Rs. 55.6 million in March 2017 for alleged non-withholding of tax on salaries, payment for goods and service, rent and dividend. The Company filed appeal before Commissioner (Appeals) who remanded the case to the assessing officer who in turn created a demand of Rs. 13.4 million in September 2018. The Company again filed appeal before Commissioner (Appeals) against the appeal effect order on October 16, 2018. On June 30, 2021, Commissioner (Appeals) remanded the case back to assessing officer and also passed an order to reduce the tax charged on salaries by Rs. 0.25 million to the extent related thereto. The said case is pending adjudication before ATIR.
- 10.1.3** During the year ended 31 December 2024, liquidator had been appointed on the basis of approval of Board and shareholders for voluntary winding up of Saif Cement Limited. At the end of the previous year, cash was distributed to shareholders in accordance with their respective shareholding ratios, except for an insignificant amount of Rs. 7.9 million related to a pending tax refund, which is under adjudication by the Peshawar High Court. The proceeds from the realization of this tax asset will be recognized in profit or loss when received.
- 10.1.4** For Tax Year 2013, the assessing officer raised a demand of Rs. 29.09 million on account of non-payment to Workers' Welfare Fund. The Company filed appeal before Commissioner (Appeals) on July 26, 2019 who decided the matter in favor of the Company on January 15, 2020. The tax authorities have filed an appeal before ATIR against orders of Commissioner (Appeals) which is awaiting adjudication at the year end.

## **10.2 Commitments:**

The Company is committed to pay monthly fixed fee and a variable fee depending upon the plant operation to its O&M contractors as per terms agreed in the Operations & Maintenance (O&M) agreement.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 11 PROPERTY, PLANT AND EQUIPMENT

	Owned assets										Stores held for capitalization	Total
	Freehold land	Buildings on freehold land	Plant and machinery	Solar System	Office equipment	Computer and accessories	Furniture and fixtures	Motorcycle and bicycle	Vehicles	Other assets		
Rupees												
<b>Cost</b>												
Balance at January 1, 2024	43,890,600	2,352,888,758	15,478,517,447	-	13,118,015	6,905,310	6,910,198	327,553	15,931,566	626,230	511,038,581	18,430,154,258
Additions during the year	-	-	-	-	1,678,147	1,955,418	45,000	456,188	720,491	-	-	4,855,244
Disposals during the year	-	-	(8,720,883)	-	(118,853)	(162,500)	(146,766)	(227,760)	-	-	-	(9,376,762)
Effect of exchange (gain) (Refer note 9.1)	-	-	(8,378,623)	-	-	-	-	-	-	-	-	(8,378,623)
Balance at December 31, 2024	43,890,600	2,352,888,758	15,461,417,941	-	14,677,309	8,698,228	6,808,432	555,981	16,652,057	626,230	511,038,581	18,417,254,117
Balance at January 1, 2025	43,890,600	2,352,888,758	15,461,417,941	-	14,677,309	8,698,228	6,808,432	555,981	16,652,057	626,230	511,038,581	18,417,254,117
Additions during the year	-	-	-	25,080,450	1,266,450	485,000	-	-	-	-	-	26,831,900
Disposals during the year	-	-	-	-	(1,231,105)	-	-	-	(720,491)	-	-	(1,951,596)
Effect of exchange loss (Refer note 9.1)	-	-	3,808,380	-	-	-	-	-	-	-	-	3,808,380
Balance at December 31, 2025	43,890,600	2,352,888,758	15,465,226,321	25,080,450	14,712,654	9,183,228	6,808,432	555,981	15,931,566	626,230	511,038,581	18,445,942,801
<b>DEPRECIATION</b>												
Balance at January 1, 2024	-	1,081,794,957	6,449,430,670	-	11,043,634	6,168,486	5,450,226	327,553	12,745,254	626,230	-	7,567,587,010
Charge for the year	-	78,574,716	559,403,098	-	712,346	769,585	380,751	74,009	108,073	-	-	640,022,578
On disposals	-	-	(2,606,611)	-	(138,528)	(162,500)	-	(227,760)	-	-	-	(3,135,399)
Balance at December 31, 2024	-	1,160,369,673	7,006,227,157	-	11,617,452	6,775,571	5,830,977	173,802	12,853,327	626,230	-	8,204,474,189
Balance at January 1, 2025	-	1,160,369,673	7,006,227,157	-	11,617,452	6,775,571	5,830,977	173,802	12,853,327	626,230	-	8,204,474,189
Charge for the year	-	78,574,716	554,800,485	434,921	841,020	931,297	364,747	91,236	108,072	-	-	636,146,494
On disposals	-	-	-	-	(1,195,141)	-	-	-	(240,164)	-	-	(1,435,305)
Balance at December 31, 2025	-	1,238,944,389	7,561,027,642	434,921	11,263,331	7,706,868	6,195,724	265,038	12,721,235	626,230	-	8,839,185,378
<b>Carrying amounts as at</b>												
December 31, 2024	43,890,600	1,192,519,085	8,455,190,784	-	3,059,857	1,922,657	977,455	382,179	3,798,730	-	511,038,581	10,212,779,928
December 31, 2025	43,890,600	1,113,944,369	7,904,198,679	24,645,529	3,449,323	1,476,360	612,708	290,943	3,210,331	-	511,038,581	9,606,757,423
Rate of depreciation per annum (%)	-	3.33%	3.33% to 5.8%	6.90%	10 % to 33.33%	33.33%	10%	20%	20%	20%	10%	-

11.1 The Company's property, plant and equipment includes fully depreciated assets having cost amounting to Rs. 35.6 million (2024: 33.9 million).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

11.2 The depreciation charge for the year has been allocated as follows:	Note	2025	2024
		Rupees	
Cost of sales	21	633,375,201	637,977,814
Administrative expenses	23	2,771,293	2,044,764
		<b>636,146,494</b>	<b>640,022,578</b>

## 11.3 Particulars of the Company's immovable fixed assets

The Company's immovable fixed assets consist of buildings and civil structure on land measuring 275.35 Kanals, located at Chak 56/5L, Qadarabad Multan Road, District Sahiwal, Punjab.

## 12 RIGHT OF USE ASSETS

	Vehicles	Building	Total
	----- Rupees -----		
<b><u>COST</u></b>			
Balance at January 01, 2024	43,512,632	36,471,212	79,983,844
Additions during the year	33,383,024	60,328,915	93,711,939
Disposal / transferred during the year	(4,356,591)	(36,471,212)	(40,827,803)
<b>Balance at December 31, 2024</b>	<b>72,539,065</b>	<b>60,328,915</b>	<b>132,867,980</b>
<b>Additions during the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disposal / transferred during the year</b>	<b>(18,679,284)</b>	<b>-</b>	<b>(18,679,284)</b>
<b>Balance at December 31, 2025</b>	<b>53,859,781</b>	<b>60,328,915</b>	<b>114,188,696</b>
<b><u>DEPRECIATION</u></b>			
Balance at January 01, 2024	20,482,830	35,402,378	55,885,208
Charge for the year	10,492,254	6,178,292	16,670,546
On disposal / transferred	(3,485,273)	(36,471,212)	(39,956,485)
<b>Balance at December 31, 2024</b>	<b>27,489,811</b>	<b>5,109,458</b>	<b>32,599,269</b>
<b>Charge for the year</b>	<b>9,862,724</b>	<b>20,152,221</b>	<b>30,014,945</b>
<b>On disposal / transferred during the year</b>	<b>(16,122,538)</b>	<b>-</b>	<b>(16,122,538)</b>
<b>Balance at December 31, 2025</b>	<b>21,229,997</b>	<b>25,261,679</b>	<b>46,491,676</b>
Carrying amounts as at			
December 31, 2024	45,049,254	55,219,457	100,268,711
<b>December 31, 2025</b>	<b>32,629,784</b>	<b>35,067,236</b>	<b>67,697,020</b>
Rate of depreciation per annum (%)	20%	33%	

12.1 The company has lease contracts for buildings and motor vehicles with lease terms ranging from 3 to 5 years in both lease contract categories. The company's obligation under the lease contracts are secured by lessor's title to the leased asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	2025	2024
		Rupees	
<b>13 LOAN TO ASSOCIATED COMPANY - unsecured</b>			
<b>13.1 - Long term loan:</b>			
Utilized amount of long term loan	13.1.1	<u>1,399,981,000</u>	<u>999,981,000</u>
<b>Movement in Long term loan is as follows:</b>			
Balance at January 01,		<u>1,151,431,447</u>	506,182,386
Disbursed during the year	13.1.2	<u>400,000,000</u>	507,681,000
		<u>1,551,431,447</u>	1,013,863,386
Markup accrued during the year		<u>130,857,003</u>	186,878,474
Markup received during the year		<u>(244,881,001)</u>	(49,310,413)
		<u>1,437,407,449</u>	1,151,431,447
Allowance for expected credit loss	13.3	<u>(115,665,514)</u>	(199,432,570)
Balance at December 31,		<u>1,321,741,935</u>	951,998,877
Current portion of long term loan		<u>(37,425,278)</u>	(203,015,115)
Non-current portion of long term loan		<u>1,284,316,657</u>	748,983,762

**13.1.1** During the year ended December 31, 2023, shareholders of the Company in their Extra Ordinary General Meeting held on September 11, 2023 had approved unsecured long term loan maximum up to Rs. 1 billion in favor of Saif Textile Mills Limited (STML), an associated company. The loan had been approved for a period of 9 (nine) years including 2 (two) years grace period. The loan carries markup at the rate of 0.1% over and above the borrowing cost of the Company or KIBOR for the relevant period, which ever is higher, payable quarterly.

**13.1.2** During the current year, upon request of STML, Board of Directors recommended the restructuring of long term loan for approval of shareholders. The shareholders of the Company approved the restructuring of long term loan effective October 01, 2025, by enhancing long term loan facility by an amount equal to Rs. 400 million, aggregating the long term loan amount to Rs. 1,400 million. They also approved amendments to the existing terms and conditions including amendment in frequency of markup repayment from quarterly basis to annual basis and extended the grace period for another one and half (1.5) years while maintaining the actual maturity of long term loan.

	Note	2025	2024
		Rupees	
<b>13.2 - Running finance facility:</b>			
Utilized amount of running finance facility	13.2.1	<u>1,499,582,379</u>	<u>1,461,782,216</u>
<b>Movement in running finance facility is as follows:</b>			
Balance at January 01,		<u>1,624,678,170</u>	-
Disbursed during the year		<u>1,081,100,000</u>	3,615,985,875
Repaid during the year		<u>(1,043,300,000)</u>	(2,154,203,659)
		<u>1,662,478,170</u>	1,461,782,216
Markup accrued during the year		<u>180,204,439</u>	162,895,954
Markup received during the year		<u>(298,499,120)</u>	-
		<u>1,544,183,489</u>	1,624,678,170
Allowance for expected credit loss	13.3	<u>(84,945,057)</u>	(53,018,941)
Balance at December 31,	13.2.2	<u>1,459,238,432</u>	<u>1,571,659,229</u>

**13.2.1** During the year ended December 31, 2024, upon recommendation from the Board of Directors of the Company, the shareholders in their meeting held on April 15, 2024, approved an unsecured running finance facility, in favor of Saif Textile Mills Limited (STML), an associated company, of Rs. 1.5 billion. The loan carries markup at the rate of 0.1% over and above the borrowing cost of the Company or KIBOR for the relevant period, which ever is higher, payable in quarterly instalments. The running finance facility is renewable every year by mutual consent and approval of the shareholders. During the year, the shareholders of the Company renewed the running finance facility for a period of one year till April 15, 2026 on same terms and conditions.

**13.2.2** This includes accrued markup amounting to Rs. 42 million (2024: 149 million).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2025	2024
	Rupees	
<b>13.3 Movement in allowance for expected credit loss is as follows:</b>		
Balance at January 01,	252,451,511	-
Charge for the year:		
- on long term loan including markup accrued	-	199,432,570
- on running finance facility including markup accrued	31,926,116	53,018,941
	<b>31,926,116</b>	<b>252,451,511</b>
Provision reversed during the year		
- on long term loan including markup accrued	(83,767,056)	-
- on running finance facility including markup accrued	-	-
	<b>(83,767,056)</b>	<b>-</b>
Balance at December 31,	<b>200,610,571</b>	<b>252,451,511</b>

## 13.4 Movement in gross amounts of loan to associated company is as follows:

Name of related party / Nature of receivable	Gross amount due	Past due amount	Allowance for expected credit loss	Reversal of / (charges for) provision for doubtful receivables / loan	Amount due written off	Net amount due	Maximum aggregate amount outstanding at any time during the year
<b>- December 31, 2025</b>							
<b>Saif Textile Mills Limited</b>							
- Long Term Loan	1,437,407,449	-	(115,665,514)	83,767,056	-	1,321,741,935	1,644,862,001
- Running Finance Facility	1,544,183,489	418,482,216	(84,945,057)	(31,926,116)	-	1,459,238,432	1,842,682,772
	<b>2,981,590,938</b>	<b>418,482,216</b>	<b>(200,610,571)</b>	<b>51,840,940</b>	<b>-</b>	<b>2,780,980,367</b>	<b>3,487,544,773</b>
<b>- December 31, 2024</b>							
<b>Saif Textile Mills Limited</b>							
- Long Term Loan	1,151,431,447	111,986,716	(199,432,570)	199,432,570	-	951,998,877	1,151,431,447
- Running Finance Facility	1,624,678,170	106,050,621	(53,018,941)	53,018,941	-	1,571,659,229	1,660,768,849
	<b>2,776,109,617</b>	<b>218,037,337</b>	<b>(252,451,511)</b>	<b>252,451,511</b>	<b>-</b>	<b>2,523,658,106</b>	<b>2,812,200,296</b>

## 14 INVENTORY - HIGH SPEED DIESEL

This represents high speed diesel stock acquired as backup fuel and is being valued at weighted average cost basis.

		2025	2024
		Rupees	
<b>15 TRADE AND OTHER RECEIVABLES</b>	<b>Note</b>		Restaed
			2024
<b>Trade receivables from Central Power Purchasing Agency (CPPA):</b>			
Receivable on account of periodic invoices - restated		2,453,142,373	7,714,143,739
Amount written off on delay payment interest	15.1	-	(1,360,167,631)
	15.2	2,453,142,373	6,353,976,108
Receivable on account of pass through items	15.7	43,320,154	28,561,709
		<b>2,496,462,527</b>	<b>6,382,537,817</b>
<b>Other receivables:</b>			
Sales tax receivable - on account of energy invoices		946,925,378	719,677,574
Other Receivables		7,214,768	1,033,843
		<b>954,140,146</b>	<b>720,711,417</b>
		<b>3,450,602,673</b>	<b>7,103,249,234</b>
<b>15.1 Movement of provision against delay payment receivable from CPPA-G:</b>			
Balance at January 01,		-	-
Charge for the year		-	1,360,167,631
Written off		-	(1,360,167,631)
Balance at December 31,		-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

- 15.1.1** Refer note 1.1 for details of amendment agreement signed between the Company, GoP and the Energy Task Force.

During the year, pursuant to the Amendment Agreement the Company has duly received payment against outstanding receivables as of October 31, 2024 amounting to Rs. 5,207 million. All terms and conditions of the said agreement have been formally executed and implemented apart from amendments in the Power Purchase Agreement, Implementation Agreement as referred in clause 2.2(b) of the Amendment Agreement relating to waiver of late payment interest claims of SNGPL.

- 15.2** This excludes an amount of Rs. 215 million related to delayed payment interest on invoices till 31 October 2024 or earlier, which was disallowed by CPPA-G on the grounds that as per the amendment agreement, the Company waives, abandons and relinquish all rights and claims it may have with respect to the late payment interest as on 31 October 2024 including the late payment interest claims that will arise on payments made up to 31 October 2024 which is over and above the agreed waiver amount of Rs. 1,360 million as specified in the amendment agreement.

As the receivables from CPPA-G against periodic capacity and energy invoices, including delayed payment charges, are secured through a Government of Pakistan guarantee under the Implementation Agreement, the Company has challenged this disallowance through an Invoice Dispute Notice, requesting the Power Purchaser to reconsider the disallowance and release the disallowed amount. The Company will recognize the disallowed amount once the matter is resolved.

- 15.3** As referred in note 2.5.1, SECP has exempted the applicability of expected credit loss allowance on trade debts due directly / ultimately from GoP. Trade debts include unbilled receivable amount of Rs. 1.704 billion (2024: Rs. 0.712 billion) at the year end. This increase in unbilled receivables is due to the fact of pass through item as disclosed in note 7.

- 15.4** The Company had won the original arbitration case against Sui Northern Gas Pipelines Limited (SNGPL) on March 09, 2016 for an amount of Rs. 239.68 million as SNGPL could not supply gas to the Company from March 2011 to May 2011 and Power Purchaser deducted Company's capacity amount to that extent.

Subsequently, Company set-off that amount against payables to SNGPL.

SNGPL enforced another arbitration saying that the company could not adjust without a decree from the court. The arbitration tribunal has agreed with SNGPL in its decision dated April 22, 2022. SNGPL has filed a petition in the Lahore High Court. During the year 2023, Civil Court Lahore issued decree on 16 October 2023 in favor of the Company. The Honorable Court, whilst making the Award a rule of Court, modified the Award to the extent that the interest awarded by the Arbitrator would not run from August 18, 2014 and the date of Award, respectively, but from the date of Honorable Court's Order date. This modification was upheld by Lahore High Court. This modification of interest date in Award made is against the arbitration rules. During the year, Company has challenged this modification in Supreme Court of Pakistan which is pending adjudication. The Company is confident that ultimately the money will be retained by the Company.

- 15.5** Trade receivables include Rs. 59 million invoiced to CPPA as 'Startup Charges' for the relevant agreement year. As per the provisions of Power Purchase Agreement, certain startups are allowed as free. However, these invoices relates to the startups over and above the threshold determined in the PPA.

- 15.6** For aging of receivable from CPPA, against periodic invoices, at the reporting date, refer to note 29.4.

- 15.7** Under relevant provisions of the Power Purchase Agreement (PPA) signed with CPPA, payments to Workers' Profit Participation Fund (WPPF), Workers' Welfare Fund (WWF) and annual fee paid to Private Power Infrastructure Board (PPIB) are all pass through items. In addition to this, sales tax, excise duties or other regulatory duties, levy, charge, surcharge or other governmental impositions shall also be compensated by the Power Purchaser if not compensated earlier.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

16 ADVANCES, DEPOSITS AND PREPAYMENTS	Note	2025	2024
		Rupees	
<b>Advances:</b>			
- to supplier		907,158	860,683
- to employees	16.1	23,918,180	4,223,074
		<b>24,825,338</b>	5,083,757
Prepayments	16.2	114,975,573	118,419,558
Security deposit		1,835,010	1,835,000
		<b>141,635,921</b>	125,338,315

**16.1** This includes unsecured loan of Rs. 21.74 million (2024: 2.4 million) approved by the Company in favor of an employee repayable in equal monthly instalments starting from the month of disbursement. The maximum aggregate amount outstanding at any time during the year is Rs. 21.74 million (2024: 3 million).

**16.2** This includes Rs. 110 million (2024: Rs. 114 million) and Rs. 5 million (2024: Rs. 5 million) on account of prepayment of insurance premium and NEPRA licensing fee respectively.

17 ADVANCE INCOME TAX	Note	2025	2024
		Rupees	
Balance at January 01,		22,540,381	9,771,832
Tax paid / withheld during the year		91,157,975	13,034,475
Income tax expense for the year		(52,416,703)	(265,926)
Balance at December 31,		<b>61,281,653</b>	22,540,381

## 18 SHORT TERM INVESTMENTS

Treasury Bill	18.1	418,497,965	-
Term deposit receipt (TDR)	18.2	200,000,000	-
		<b>618,497,965</b>	-

**18.1** These carry interest rate of 10.26% to 12.13% (2024: Nil) per annum.

**18.2** This carry interest rate of 10% (2024: Nil) per annum having maturity up to January 07, 2026.

19 BANK BALANCES	Note	2025	2024
		Rupees	
Current accounts			
- Local currency		2,935,269	869,770
Deposit accounts			
- Local currency		7,956,560	1,794,723
- Foreign currency	19.1	567,645	559,848
	19.2	8,524,205	2,354,571
		<b>11,459,474</b>	3,224,341

**19.1** This represents an amount of USD 2,026.94 (2024: USD 2,011) in US Dollar deposit account.

**19.2** These carry markup ranging from 10.26% to 12.13% (2024: 14.37% to 22.55%) per annum for Rupee denominated balances while 1% (2024: 1%) per annum for US Dollar denominated balances.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

21	TURNOVER - NET	Note	2025	Restated 2024
			Rupees	
	Gross Energy purchase price		8,018,128,630	5,373,842,654
	Less: sales tax		(1,213,528,681)	(862,883,117)
			<u>6,804,599,949</u>	<u>4,510,959,537</u>
	Capacity purchase price		2,384,171,323	3,549,687,064
			<u>9,188,771,272</u>	<u>8,060,646,601</u>
<b>21</b>	<b>COST OF SALES</b>			
	Raw material consumed		6,547,647,736	4,302,307,120
	Operations and maintenance		1,169,234,771	1,172,511,034
	Salaries and other benefit	21.1	81,220,448	101,244,529
	Electricity charges		150,859,927	177,574,262
	Insurance expense		334,541,731	350,213,562
	Depreciation - property, plant and equipment	11.2	633,375,201	637,977,814
	Office expense		3,953,518	3,628,355
	Travelling, conveyance and entertainment		3,840,281	4,151,172
	Repairs and maintenance		196,923	177,116
	Communication		62,743	90,442
			<u>8,924,933,279</u>	<u>6,749,875,406</u>

**21.1** These include Rs. 4,157,381 (2024: Rs. 7,799,731) charged in respect of staff retirement benefits - gratuity.

22	OTHER INCOME	Note	2025	Restated 2024
			Rupees	
	<i>Income from financial assets</i>			
	Profit on deposit accounts		1,507,794	291,247
	Dividend income		-	508,366,455
	Return on investments	22.1	176,529,298	7,324,647
	Markup on loan to STML	22.2	311,061,442	352,190,909
	Late payment interest on receivable from CPPA - G		283,848,869	1,204,459,326
			<u>772,947,403</u>	<u>2,072,632,584</u>
	Gain on modification of subordinated loan	9	74,402,693	-
	<i>Income from non financial assets</i>			
	Gain on disposal of property, plant and equipment		4,274,519	562,895
	Exchange gain - net		-	11,690,647
	Scrap sales		1,173,952	354,090
			<u>5,448,471</u>	<u>12,607,632</u>
			<u>852,798,567</u>	<u>2,085,240,216</u>

**22.1** This represents interest income generated from investments in market treasury bills during the year at the interest rates of 10.26% to 12.13% (2024: 10.46% to 22.25%) per annum.

**22.2** These carry markup ranging from 11.14% to 13.36% (2024: 15.07% to 22.93%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	2025	2024
		Rupees	
<b>23 ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	23.1	<b>182,104,955</b>	148,253,764
Traveling and conveyance		<b>1,721,503</b>	1,036,710
Rent, rates and taxes		<b>3,952,390</b>	14,658,235
Security services		<b>35,073,905</b>	30,634,015
Office expenses		<b>8,020,309</b>	35,077,293
Fees and subscriptions		<b>18,312,236</b>	22,577,651
Legal and professional		<b>3,913,560</b>	2,863,177
Repair and maintenance		<b>22,124,839</b>	22,963,420
Utilities		<b>19,868,690</b>	14,527,822
Insurance		<b>6,791,306</b>	6,868,370
Depreciation	11.2	<b>2,771,293</b>	2,044,764
Depreciation - right of use assets	12	<b>30,014,945</b>	16,670,546
Auditors' remuneration	23.2	<b>3,884,119</b>	3,884,119
Donations	23.3	<b>9,000,000</b>	8,400,000
Advertisements		<b>529,803</b>	298,942
		<b>348,083,853</b>	<b>330,758,828</b>

**23.1** These includes Rs. 13,071,088 (2024: Rs. 4,675,146) charged in respect of staff retirement benefits - gratuity.

	Note	2025	2024
		Rupees	
<b>23.2 Auditors' remuneration</b>			
Statutory audits and reviews		<b>2,705,148</b>	2,705,148
Certifications required under regulations and agreements		<b>1,026,716</b>	1,026,716
Out of pocket expenses		<b>152,255</b>	152,255
		<b>3,884,119</b>	<b>3,884,119</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

**23.3** This represents donation made to following institutions in which directors of the Company are common directors:

Name of Donee	Address	Name of Director	Nature of interest in donee	2025 Rupees	2024
a) Akbar Kare Institute	House 6-B, Sec-3, Near Sui, Gas Office, Phase 5, Hayatabad, Peshawar.	Mrs. Hoor Yousafzai	Director	8,400,000	8,400,000
		Mr. Jehangir Saifullah Khan	Director		

	2025	Restated 2024
	Rupees	

## 24 FINANCE COST

Markup on short term borrowings

- from conventional banking

- from islamic mode of financing

Markup on sub-ordinated loan

Guarantee commission

Interest on lease liabilities

Bank charges

Exchange loss - net

522,086,684	928,987,841
189,061,027	644,735,222
711,147,711	1,573,723,063
43,246,484	44,598,958
25,520,000	16,945,001
11,610,873	11,958,386
588,496	1,307,986
14,310,976	-
806,424,540	1,648,533,394

## 25 LEVY

Final tax

25.1

- 76,254,969

**25.1** This represents final tax under section 154 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC21/IAS 37.

## 26 INCOME TAX

Current tax

- current year

- prior year

26.1

1,580,057	265,926
50,836,646	-
52,416,703	265,926

**26.1** Subsequent to the year end, after short order of the Federal Constitutional Court ("the FCC") the Company received a show cause notice from Federal Board of Revenue ("FBR") requiring response on chargeability of Rs. 51 million (@ 10%) on account of Super Tax, on dividend income received in 2024 after distribution of surplus funds by the Company subsidiary, Saif Cement Limited, under section 4C of the Income Tax Ordinance, 2001 ("the Ordinance"). The Company submitted a detailed response thereby challenging the show cause notice and any recovery notice unless pending sales tax refund of Rs. 459 million is processed. Although the Company is awaiting detailed judgement from FCC, the Company has provided for Rs. 51 million in current years as prior year charge on prudent basis.

	2025	2024
	Rupees	
<b>26.1 Reconciliation between tax expense and accounting profit:</b>		
Profit / (loss) before final taxes and income tax	13,969,107	(272,154,922)
Tax at applicable rate of 29% as per Income Tax Ordinance, 2001	4,051,041	(78,924,927)
Effect of exempt income - as referred to in note 3.3(a)	(4,051,041)	78,924,927
Prior year charge	50,836,646	-
Others	1,580,057	265,926
	52,416,703	265,926

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

27 LOSS PER SHARE	2025	Restated 2024
Loss for the year (Rupees)	<b>(38,447,596)</b>	(272,420,848)
Weighted average number of shares (Numbers)	<b>386,471,779</b>	386,471,779
Loss per share - basic (Rupees)	<b>(0.10)</b>	(0.70)

There is no dilution effect on the basic earnings per share of the Company.

## 28 OPERATING SEGMENT

For management purposes, the activities of the Company are organized into a single reportable segment. The operating interests of the Company are confined to Pakistan. Accordingly, the financial statements have been prepared on the basis of a single reportable segment. The Company's only customer is Central Power Purchasing Agency Guarantee Limited, a Government owned entity to which it sells electricity. The Company's overall net revenue is Rs. 9,188,771,272 (2024: Rs. 8,060,646,601).

## 29 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

### Fair value measurement

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. 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 fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

### a Accounting classifications and fair values

29.1 The following table shows the carrying amounts and fair values of financial assets and financial liabilities not measured at fair value. Fair value information for financial assets and financial liabilities not measured at fair value is not disclosed as their carrying amount is a reasonable approximation of fair value.

	Note	Carrying Amount		
		Amortised cost	Fair value	Total
<b>December 31, 2025</b>				
<b>Financial assets not measured at fair value</b>				
Long term loan	13	<b>1,321,741,935</b>	-	<b>1,321,741,935</b>
Running finance facility	13	<b>1,459,238,432</b>	-	<b>1,459,238,432</b>
Trade receivables from Central Power Purchasing Agency (CPPA)	15 & 29.2	<b>2,496,462,527</b>	-	<b>2,496,462,527</b>
Other receivables	15	<b>7,214,768</b>	-	<b>7,214,768</b>
Advances and deposits	16	<b>25,753,190</b>	-	<b>25,753,190</b>
Short term investments	18	<b>618,497,965</b>	-	<b>618,497,965</b>
Bank balances	19	<b>11,459,474</b>	-	<b>11,459,474</b>
<b>Total</b>		<b>5,940,368,291</b>	-	<b>5,940,368,291</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	Carrying Amount		
		Amortised cost	Fair value	Total
Rupees				
<b>Financial liabilities not measured at fair value</b>				
Subordinated loan	9	909,667,146	-	909,667,146
Lease liabilities	6	60,384,991	-	60,384,991
Trade and other payables	7 & 29.3	2,011,233,531	-	2,011,233,531
Short term borrowings	8	3,710,225,627	-	3,710,225,627
Unclaimed dividend		26,343,883	-	26,343,883
<b>Total</b>		<b>6,717,855,178</b>	<b>-</b>	<b>6,717,855,178</b>

## December 31, 2024

### Financial assets not measured at fair value

Long term loan	13	951,998,877	-	951,998,877
Running finance facility	13	1,571,659,229	-	1,571,659,229
Trade receivables from Central Power				
Purchasing Agency (CPPA)	15 & 29.2	6,382,537,817	-	6,382,537,817
Other receivables	15	1,033,843	-	1,033,843
Advances and deposits	16	6,058,074	-	6,058,074
Short term investments	18	-	-	-
Bank balances	19	3,224,341	-	3,224,341
<b>Total</b>		<b>8,916,512,181</b>	<b>-</b>	<b>8,916,512,181</b>

### Financial liabilities not measured at fair value

Subordinated loan	9	1,148,484,429	-	1,148,484,429
Lease liabilities	6	90,621,501	-	90,621,501
Trade and other payables	7 & 29.3	553,943,016	-	553,943,016
Short term borrowings	8	7,843,694,690	-	7,843,694,690
Unclaimed and unpaid dividend		26,582,714	-	26,582,714
<b>Total</b>		<b>9,663,326,350</b>	<b>-</b>	<b>9,663,326,350</b>

**29.2** This excludes sales tax receivable on energy purchase invoices charged to CPPA.

**29.3** This excludes withholding tax payable and WPPF payable.

## **b Financial risk management**

The Company has exposure to the credit risk, market risk and liquidity risk from its use of financial instruments.

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse 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,

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

## 29.4 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The primary activity of the Company is power generation and sale of total output to CPPA-G. The Company is exposed to credit risk from its operations.

### 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:

	Note	2025	2024
		Rupees	
Long term loan	13	1,321,741,935	951,998,877
Running finance facility	13	1,459,238,432	1,571,659,229
Trade receivables from Central Power Purchasing Agency (CPPA)	15	2,496,462,527	6,382,537,817
Other receivables	15	7,214,768	1,033,843
Advances and deposits	16	25,753,190	6,058,074
Short term investments	18	618,497,965	-
Bank balances	19	11,459,474	3,224,341
<b>Total</b>		<b>5,940,368,291</b>	<b>8,916,512,181</b>

**29.4.1** Credit risk is minimum as the bank accounts are maintained with reputable banks having good credit ratings. Further, as disclosed in note 15 that the trade debts are receivable from CPPA-G and are secured by way of guarantee issued by the Government of Pakistan (GoP) under the Implementation Agreement (IA). As explained in note 2.5.1 and 3.9 of the financial statements the Company believes that no impairment allowance is necessary on trade debts and other receivables past due from CPPA-G. The Company is actively pursuing for recovery of trade debts and other receivables and the Company does not expect debtor to fail to meet its obligations.

**29.4.2** During the prior year, the Company, GoP, CPPA-G and Energy Task Force (constituted by Prime Minister of Pakistan) along with other IPPs including 2002 Power Policy IPPs entered into the process of altering the contractual agreements which has been completed in the 1st half of 2025. Under the amendment agreement, the Company and CPPA-G have agreed on the certain matters that are subject to fulfilment of certain terms and conditions and approvals specified in the amended agreement from Competent and Regulatory Authorities. Under the said agreement, the Company has agreed to waive of late payment interest verified till October 31, 2024. Consequently as back to back arrangement, GoP has agreed to facilitate waiver of late payment interest claims of Sui Northern Gas Pipelines Limited (SNGPL) and in the event of failure, CPPA-G shall pay to the Company. Following is the movement of provision of write off on

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

late payment interest verified till October 31, 2024 the company has waived off under the amendment agreement:

	2025	2024
Movement of provision against delay payment receivable from CPPA-G:		
	<u>Rupees</u>	
Balance at January 01,	-	-
charge for the year	-	1,360,167,631
Written off	-	(1,360,167,631)
Balance at December 31,	<u>-</u>	<u>-</u>

## Credit quality of financial assets

The credit quality of Company's financial assets have been assessed as follows by reference to external credit rating of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

	2025	2024
	<u>Rupees</u>	
<b>Trade receivables from Central Power Purchasing Agency (CPPA)</b>		

Counterparties without external credit ratings	<u>2,496,462,527</u>	<u>6,382,537,817</u>
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## Impairment losses

The aging of trade debts at the reporting date was:

- Neither past due nor impaired	<b>2,247,181,147</b>	1,033,993,391
- Past due nor impaired		
1 - 60 days	<b>236,797,555</b>	366,042,931
61 - 120 days	<b>1,792,413</b>	3,831,216,724
121 - 180 days	<b>6,770,613</b>	2,712,358,012
181 days and above	<b>3,920,799</b>	-
	<b>249,281,380</b>	7,124,963,094
Provision for write off in trade receivables	-	(1,360,167,631)
	<u>2,496,462,527</u>	<u>6,798,788,854</u>

ECL on 'trade receivables' from CPPA-G has not been determined as these are covered under exemption from SECP as explained in note 2.5.1. Impact of ECL on financial assets not covered under exemption including long term loan, other receivables, advances to employees, security deposits, bank balances and short term investments, was not material in the context of overall financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2025	2024
	Rupees	
<b>Other receivables</b>		
Counterparties without external credit ratings	<u>7,214,768</u>	<u>1,033,843</u>
<b>Advances and deposits</b>		
Counterparties without external credit ratings	<u>25,753,190</u>	<u>6,058,074</u>
<b>Long term loan</b>		
Saif Textile Mills Limited - external credit ratings - (A-)	<u>1,321,741,935</u>	<u>951,998,877</u>
<b>Running finance facility</b>		
Saif Textile Mills Limited - external credit ratings - (A-)	<u>1,459,238,432</u>	<u>1,571,659,229</u>

**29.4.3** Movement in allowance for expected credit loss on loan to associated company is as follows:

Balance at January 01,	252,451,511	-
Charge for the year:		
- on long term loan	-	199,432,570
- on running finance facility	31,926,116	53,018,941
	<u>31,926,116</u>	<u>252,451,511</u>
Provision reversed during the year		
- on long term loan	(83,767,056)	-
- on running finance facility	-	-
	<u>(83,767,056)</u>	<u>-</u>
Balance at December 31,	<u>200,610,571</u>	<u>252,451,511</u>

## Short term investment and Bank balances

The Company held cash at bank and short term investments amounting to Rs. 629,957,439 as at December 31, 2025 ( December 31, 2024: Rs. 3,224,341). Cash at bank and short term investment is held with banks and financial institution counter parties, which are rated A1+ (2024: A1+) and A1+ respectively based on JCR-VIS and PACRA ratings.

## 29.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company manages liquidity risk by investing in short term highly liquid investments and by keeping committed credit lines and borrowing facilities available at all times. Details of short term investments and borrowing facilities have been provided in note 18 and 8.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

There were no defaults on loans payable during the year.

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

	Carrying amount	Contractual cash flows	Maturity in less than 1 year	Maturity after one year and up to five years	Maturity after five years
<b>Rupees</b>					
<b>2025</b>					
Subordinated loan	909,667,146	977,324,544	310,120,958	667,203,586	-
Lease liabilities	60,384,991	69,371,402	38,406,727	30,964,675	-
Trade and other payables	2,011,233,531	2,011,233,531	2,011,233,531	-	-
Short term borrowings	3,710,225,627	3,710,225,627	3,710,225,627	-	-
Unclaimed dividend	26,343,883	26,343,883	26,343,883	-	-
	<b>6,717,855,178</b>	<b>6,794,498,987</b>	<b>6,096,330,726</b>	<b>698,168,261</b>	<b>-</b>
<b>2024</b>					
Subordinated loan	1,148,484,429	1,148,484,429	1,148,484,429	-	-
Lease liabilities	90,621,501	117,253,361	42,024,643	75,228,718	-
Trade and other payables	553,943,016	553,943,016	553,943,016	-	-
Short term borrowings	7,843,694,690	7,843,694,690	7,843,694,690	-	-
Unclaimed dividend	26,582,714	26,582,714	26,582,714	-	-
	<b>9,663,326,350</b>	<b>9,689,958,210</b>	<b>9,614,729,492</b>	<b>75,228,718</b>	<b>-</b>

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

The contractual cash flows relating to subordinated loan and lease liabilities have been determined on the basis of expected markup rates. The markup rates have been disclosed in relevant notes to these financial statements.

## 29.6 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and interest rates only.

## 29.7 Currency risk

Rupee is the functional currency of the Company and as a result currency exposures arise from transactions and balances in currencies other than Rupee. The Company's potential foreign currency exposure comprise:

- ◆ Transactional exposure in respect of non functional currency monetary items.
- ◆ Transactional exposure in respect of non functional currency expenditure and revenues.

### Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to Rupee equivalent, and the associated gain or loss is taken to the profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

### Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. These currency risks are managed as part of overall risk management strategy. The Company does not enter into forward exchange contracts.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	2025	2024	2025	2024
	Rupees		USD	
Sub-ordinated loan	909,667,146	1,148,484,429	3,242,442	4,118,646
Trade and other payables	294,108,653	380,783,060	1,048,329	1,365,548
Bank balances	(567,645)	(559,848)	(2,023)	(2,008)
	<u>1,203,208,154</u>	<u>1,528,707,641</u>	<u>4,288,748</u>	<u>5,482,186</u>

The following significant exchange rates have been applied:

	Average Rate		Reporting Date Rate	
	2025	2024	2025	2024
<b>US Dollars</b>	<u>279.70</u>	<u>280.63</u>	<u>280.55</u>	<u>278.85</u>

## Foreign currency sensitivity analysis

A 5% strengthening of the functional currency against USD at December 31, 2025 would have increased profit by Rs. 60 million (2024: Rs. 76 million). A 5% weakening of the functional currency against USD at December 31, 2025 would have had the equal but opposite effect on these amounts. The analysis assumes that all other variables remain constant.

## Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rate. The Company has long term Rupee and USD based loans and short term running finance arrangement at variable rates. These loans have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) . Any increase / decrease in KIBOR is adjustable and approved by NEPRA.

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

	2025	2024
	Rupees	
<b>Fixed rate instruments</b>		
Financial assets	<u>627,022,170</u>	<u>2,354,571</u>
<b>Variable rate instruments</b>		
Financial assets	<u>5,277,442,894</u>	<u>9,034,427,070</u>
Financial liabilities	<u>(4,680,277,764)</u>	<u>(8,023,144,022)</u>

## 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 rates at the reporting date would not affect profit or loss.

## Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by Rs. 5.97 million (2024: Rs. 10.13 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 29.8 Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business. The Company manages its capital structure which comprises of capital and reserves by monitoring the return on net assets and makes adjustments, if required, in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to shareholders, appropriation of amounts to capital reserves or / and issue new shares. There was no change in the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirement.

## 30 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

**30.1** No remuneration has been paid to the directors of the Company, except for meeting fee amounting to Rs. 1,125,000 (2024: Rs. 1,075,000).

**30.2** The aggregate amounts charged in these financial statements for remuneration including benefits applicable to the chief executive officer and executives of the Company are given below:

	Note	2025	2024
		Rupees	
<b>Chief executive officer</b>			
Managerial remuneration - Gross		<b>33,337,125</b>	44,290,752
Staff retirement benefit		-	4,882,999
Bonus		-	7,381,792
Dividend		<b>2,174,313</b>	-
Other reimbursable expenses		<b>368,042</b>	412,839
		<b>35,879,480</b>	<b>56,968,382</b>
Number of persons including those who worked part of the year	30.3	<b>2</b>	1
<b>Executives</b>			
Managerial remuneration - Gross		<b>165,626,380</b>	124,773,172
Contribution to staff retirement benefit		<b>10,356,144</b>	5,426,182
Bonus		<b>4,550,907</b>	12,359,862
		<b>180,533,431</b>	142,559,216
<b>Allowances / Reimbursable expenses:</b>			
Medical reimbursements		<b>5,953,906</b>	3,260,777
Utilities reimbursements		<b>7,985,905</b>	4,055,265
		<b>13,939,811</b>	7,316,042
		<b>194,473,242</b>	<b>149,875,258</b>
Number of persons including those who worked part of the year		<b>20</b>	17

**30.3** The Chief Executive Officer of the Company resigned from his office with effect from October 15, 2025 and Mr. Jehangir Saifullah Khan has been appointed as 'Acting - Chief Executive Officer' with effect from October 24, 2025.

**30.4** Executive means an employee whose basic salary exceeds Rs. 1,200,000 (2024: Rs. 1,200,000) per year.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

**30.5** In addition to the above, chief executive officer and executives (including KMPs other than directors) are provided with the Company's maintained vehicles, medical facility and health insurance coverage as per the Company's policy.

## 31 RELATED PARTY TRANSACTIONS

Related parties comprise of Saif Holdings Limited, directors, key management personnel, entities over which directors are able to exercise significant influence and major shareholders. Balances and other arrangements with Orastar Limited have been disclosed in note 4.3 and 9 to the financial statements. Transactions and balances with related parties other than those disclosed in note 7.1, 7.3, 13, 21, 22 and 23 to these financial statements are as follows:

	2025	2024
	Rupees	
<b>i) Saif Holdings Limited (SHL)</b>		
Payment of dividend	88,909,517	244,501,172
Reimbursement of expenses to SHL, incurred on behalf of the Company	910,000	-
Reimbursement of expenses from SHL, incurred by the Company	-	6,633,093
<b>ii) Kohat Textile Mills Limited (KTML)</b>		
Shared expenses incurred by KTML on behalf of the Company	-	12,615,262
Reimbursement of expenses from KTML, incurred by the Company	5,461,920	316,463
Shared expenses incurred by the Company on behalf of KTML	5,874,648	8,247,269
Reimbursement of expenses to KTML incurred on behalf of the Company	-	4,367,993
<b>iii) Saif Textile Mills Limited</b>		
Payment of dividend	100	275
Shared expenses incurred by STML on behalf of the Company	-	3,551,582
Reimbursement of expenses from STML, incurred by the Company	7,849,867	15,364,011
Shared expenses incurred by the Company on behalf of STML	8,411,464	18,556,387
<b>iv) Directors of the company</b>		
Payment of dividend	70,284,165	141,406,617
Payment of meeting fee	1,125,000	1,075,000
<b>v) Key Management Personnel</b>		
Managerial remuneration and other benefits	63,826,444	92,095,468
<b>vi) Saif Power - Staff Gratuity Fund</b>		
Payment of contribution	32,897,798	10,523,297
<b>vii) Softech Systems (Pvt.) Limited</b>		
Procurement of services	4,500,000	-
<b>viii) Sui Northern Gas Pipelines Limited</b>		
Procurement of supplies	6,148,816,491	5,076,722,401
Payment against procurement of supplies	6,148,782,037	5,076,763,824
<b>ix) Other related parties</b>		
Payment of dividend	97,397,371	442,000,685
Remunerations and reimbursable expenses	66,196,855	29,749,365

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

**31.1** Key management personnel comprise of Directors, Chief Executive Officer, Chief Financial Officer and General Manager Plant. The key management personnel are also provided with the Company maintained vehicles, medical facility and health insurance coverage as per the Company's policy.

**31.2** The related parties with whom the company has entered into transactions or had arrangements / agreements in place during the year have been disclosed below along with their basis of relationship:

Name of Related Party / Associated Company	Nature of Relationship	% age of shareholding
Saif Holdings Limited	Common Directorship	23.01%
Saif Textile Mills Limited	Common Directorship	0.000026%
Kohat Textile Mills Limited	Common Directorship	Nil
Sui Northern Gas Pipelines Limited	Common Directorship	Nil
Orastar Limited (Refer note 2.4(i))	Investor	17.08%
Akbar Kare Institute	Common Directorship	Nil
Softech Systems (Pvt.) Limited	Common Directorship	Nil
Directors of the Company	Directors	18.19%
Other related parties	Relatives of Directors	8.12%
Key management personnel	Key management personnel	Nil
Saif Power Limited - Staff Gratuity Fund	Post employment benefit	Nil

**31.3** Transactions with related parties have been carried out on mutually agreed terms and conditions.

## 32 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

As per the requirements of the fourth schedule to the Companies Act 2017, shariah compliant companies and companies listed on the Islamic Index shall disclose the following:

		2025	2024
<u>Shariah Compliant</u>	<u>Note</u>	<u>Rupees</u>	<u>Rupees</u>
Finance cost on Islamic mode of financing	24	198,369,376	644,735,522
Revenue from contract with customers	20	9,188,771,272	8,060,646,601
Dividend income	22	-	508,366,455
Gain on disposal of property, plant and equipment	22	4,274,519	562,895
Short term investments	18	200,000,000	-
Bank balances	19	2,210	369
Short term borrowings	8	1,551,752,727	2,455,059,620
<u>Conventional</u>			
Finance cost on conventional mode of financing	24	608,062,961	1,003,798,172
Profit earned on conventional mode of financing	22	772,947,403	1,564,266,129
Long term loan to STML	13	1,321,741,935	951,998,877
Running finance facility to STML	13	1,459,238,432	1,571,659,229
Short term investments	18	418,497,965	-
Bank balances	19	11,457,264	2,210
Short term borrowings	8	2,158,472,900	5,388,635,070
Subordinated loan	9	909,667,146	1,148,484,429

Following is the list of banks and financial institutions with which the Company has relationship with islamic window of operations;

1. Meezan Bank Limited
2. Faysal Bank Limited
3. Dubai Islamic Bank Limited
4. Bank Islami Pakistan Limited
5. Bank Alfalah (Islamic) Limited

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

## 33 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Rupees				Equity		Total
	Sub-ordinated loan	Short term borrowings	Lease liabilities	Dividend payable	Share capital		
<b>Balance at January 01, 2025</b>	1,148,484,429	7,843,694,690	90,621,501	26,582,714	3,864,717,790		12,974,101,124
<b>Changes from financing cash flows</b>							
Proceeds from short-term borrowings	-	22,538,485,921	-	-	-	-	22,538,485,921
Repayments of short term borrowings	-	(26,466,740,762)	-	-	-	-	(26,466,740,762)
Repayments of long term financing	(162,194,492)	-	-	-	-	-	(162,194,492)
Lease liabilities paid	-	-	(41,847,383)	-	-	-	(41,847,383)
Dividend paid	-	-	-	(386,708,110)	-	-	(386,708,110)
<b>Total changes from financing cash flows</b>	<b>(162,194,492)</b>	<b>(3,928,254,841)</b>	<b>(41,847,383)</b>	<b>(386,708,110)</b>	-	-	<b>(4,519,004,826)</b>
<b>Effect of changes in foreign exchange rates</b>	<b>8,818,803</b>	-	-	-	-	-	<b>8,818,803</b>
<b>Other changes</b>							
<b>Liability related</b>							
Interest expense	43,246,484	711,147,711	11,610,873	-	-	-	766,005,068
Lease of new vehicles and building	-	-	-	-	-	-	-
Disposal of leased vehicles	-	-	-	-	-	-	-
Finance cost paid	(54,285,385)	(916,361,933)	-	-	-	-	(970,647,318)
Dividend declared	-	-	-	386,469,279	-	-	386,469,279
Gain on modification	(74,402,693)	-	-	-	-	-	(74,402,693)
<b>Total liability related other changes</b>	<b>(85,441,594)</b>	<b>(205,214,222)</b>	<b>11,610,873</b>	<b>386,469,279</b>	-	-	<b>107,424,336</b>
<b>Balance at December 31, 2025</b>	<b>909,667,146</b>	<b>3,710,225,627</b>	<b>60,384,991</b>	<b>26,343,883</b>	<b>3,864,717,790</b>		<b>8,571,339,437</b>
<b>Balance at January 01, 2024</b>	1,652,979,811	12,137,424,418	16,237,992	118,163,748	3,864,717,790		17,789,523,759
<b>Changes from financing cash flows</b>							
Proceeds from short-term borrowings	-	11,791,440,933	-	-	-	-	11,791,440,933
Repayments of short term borrowings	-	(15,928,669,848)	-	-	-	-	(15,928,669,848)
Repayments of long term financing	(321,715,921)	-	-	-	-	-	(321,715,921)
Lease liabilities paid	-	-	(28,387,244)	-	-	-	(28,387,244)
Dividend paid	-	-	-	(1,154,374,677)	-	-	(1,154,374,677)
<b>Total changes from financing cash flows</b>	<b>(321,715,921)</b>	<b>(4,137,228,915)</b>	<b>(28,387,244)</b>	<b>(1,154,374,677)</b>	-	-	<b>(5,641,706,757)</b>
<b>Effect of changes in foreign exchange rates</b>	<b>(8,378,623)</b>	-	-	-	-	-	<b>(8,378,623)</b>
<b>Other changes</b>							
<b>Liability related</b>							
Interest expense	25,599,162	1,573,723,063	11,958,386	-	-	-	1,611,280,611
Lease of new vehicles	-	-	95,168,958	-	-	-	95,168,958
Disposal of leased vehicles	-	-	(4,356,591)	-	-	-	(4,356,591)
Finance cost paid	(200,000,000)	(1,730,223,876)	-	-	-	-	(1,930,223,876)
Dividend declared	-	-	-	1,062,793,643	-	-	1,062,793,643
<b>Total liability related other changes</b>	<b>(174,400,838)</b>	<b>(156,500,813)</b>	<b>102,770,753</b>	<b>1,062,793,643</b>	-	-	<b>834,662,745</b>
<b>Balance at December 31, 2024</b>	<b>1,148,484,429</b>	<b>7,843,694,690</b>	<b>90,621,501</b>	<b>26,582,714</b>	<b>3,864,717,790</b>		<b>12,974,101,124</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

		2025	2024
		Rupees	
<b>34 CASH AND CASH EQUIVALENTS</b>			
Bank balances	19	11,459,474	3,224,341
Short term investments	18	618,497,965	-
		629,957,439	3,224,341
<b>35 CAPACITY AND PRODUCTION</b>			
Installed capacity based on hours 8,760 (2024: 8,760) – Megawatt hours		1,786,228	1,786,228
Actual energy delivered – Megawatt hours		195,408	147,543
Output produced by the plant is dependent on the load demanded by NTDC.			
		2025	2024
		Number	
<b>36 NUMBER OF EMPLOYEES</b>			
At year end		69	62
Average during the year		65	62

## 37 RESTATEMENT OF COMPARATIVE FIGURES

During the current year, the Company identified certain matters requiring restatements of comparative figures in accordance with IAS 08 *Accounting Policies, Changes in Accounting Estimates and Errors*. The impact of these restatements on prior year financial statements is explained below;

Note	As previously reported	Effect of reclassification	Effect of restatement	Amount restated
	Rupees			
<b>Statement of financial position - extracts</b>				
<b>As at 31 December 2024</b>				
<b>Current assets</b>				
Running finance facility (note 37.1)	13	1,422,405,811	149,253,418	-
Current portion of long term loan (note 37.1)	13	64,248,643	138,766,472	-
Markup receivable on loans to associated company (note 37.1)		288,019,890	(288,019,890)	-
Trade and other receivables (note 37.2)	15	7,519,500,271	-	(416,251,037)
				7,103,249,234
<b>Current liabilities</b>				
Short term borrowings (note 37.1)	8	7,532,097,498	311,597,192	-
Sub-ordinated loan (note 37.1)	9	400,425,023	748,059,406	-
Markup accrued (note 37.1)		1,059,656,598	(1,059,656,598)	-
Trade and other payables (note 37.2)	7	566,728,416	-	(10,492,909)
				556,235,507
Unappropriated profit - revenue reserve		7,067,016,526	-	(405,758,128)
				6,661,258,398
<b>Statement of profit or loss - extracts</b>				
<b>For the year ended 31 December 2024</b>				
Revenue - net (note 37.2 & 37.4)	20	9,670,864,055	-	(1,610,217,454)
Gross profit		2,920,988,649	-	(1,610,217,454)
Other income (note 37.3 & 37.4)	22	528,589,981	352,190,909	1,204,459,326
Finance cost (note 37.3)	24	(1,296,342,485)	(352,190,909)	-
				(1,648,533,394)
Earning / (loss) per share		0.35	-	(1.05)
				(0.70)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	As previously reported	Effect of reclassification	Effect of restatement	Amount restated
<b>Rupees</b>				
<b>Statement of cashflow - extracts</b>				
For the year ended 31 December 2024				
<b>Cashflow from operating activities</b>				
Loss before levy and income tax	209,858,175	-	(405,758,128)	(195,899,953)
Late payment interest on receivable from CPPA - G	-	-	-	-
<b>Changes in working capital:</b>				
Markup receivable on loans to associated company	(300,464,015)	300,464,015	-	-
Trade and other receivables	943,789,775	-	250,049,823	1,193,839,598
<b>Cash generated from operations</b>				
	4,033,648,649	300,464,015	(155,708,305)	4,178,404,359
Income taxes paid	(89,289,444)	76,254,969	-	(13,034,475)
Late payment interest received	-	-	-	-
Levy paid	-	(76,254,969)	-	(76,254,969)
Finance cost paid	(1,628,987,904)	(300,464,015)	-	(1,929,451,919)
Payment to staff retirement fund	(10,523,297)	-	-	(10,523,297)
<b>Net cash generated from operations</b>	<b>2,304,848,004</b>	<b>-</b>	<b>(155,708,305)</b>	<b>2,149,139,699</b>

**37.1** During the year, the Company identified that accrued markup receivable and accrued markup payable had been presented as a separate line item under current assets and current liabilities in the statement of financial position, rather than being included within the related principal amounts of receivables and borrowings as per the accounting and reporting standards applicable in Pakistan. As at 31 December 2024, the reclassification resulted in increase of running finance facility, current portion of long term loan, short term borrowings and sub-ordinated loan by Rs. 149,253,418, 138,766,472, 311,597,192 and 748,059,406 respectively with a corresponding decrease in accrued markup receivable and accrued markup payable by Rs. 288,019,890 and 1,059,656,598 respectively.

The reclassification have no impact on the previously reported profit, total assets or equity. In line with IAS 1, the third statement of financial position is not presented as the impact of these reclassifications in the earliest period presented are not material.

**37.2** Following the implementation of Amendment Agreement (as explained in note 1.1) the Company submitted Tariff petition to NEPRA on 10 March 2025 for revised tariff determination, accordingly NEPRA has issued revised tariff notification on 27 May 2025. According to the management, the terms were mainly agreed before the end of the year, 31 December 2024. As a result, the Company has waived off all claims and invoices pertaining to delayed payment interest including the amount receivable from CPPA-G, amounting to Rs. 1.3 billion, in the financial statement for the year ended 31 December 2024. However, during the current year, CPPA-G deducted Rs. 215 million on invoices related to Delayed Payment Interest on the grounds that as per the amendment agreement, the Company had waived all rights and claims it may have with respect to the late payment interest as on 31 October 2024. As disclosed in Note 15.2 the Company has served 'Invoice Dispute Notice' to CPPA-G related to this deduction. Moreover, management also identified that Capacity Purchase Price (CPP) revenue and related trade receivables for November and December 2024 were recognized in the financial statements for the year ended 31 December 2024 based on the pre-amendment tariff having an impact of Rs. 190 million. Due to the above, the revenue and related receivables for the year and as at 31 December 2024 were overstated by Rs. 405 million. As a result of the above adjustments, the Company has also restated the amount of WPPF receivable and payable recognized amounting to Rs. 10.5 million to Nil. Due to the above, the revenue, other income, related receivables and trade and other payables were overstated by Rs. 190 million, Rs. 215 million, Rs. 416 million and Rs. 10.5 million respectively. The above errors are corrected by the management by restating the comparative figures. The restatement has resulted in decrease in revenue and other income for the year ended 31 December 2024 and retained earnings as of 31 December 2024 by Rs. 405 million with corresponding trade and other receivables and trade and other payables as at 31 December 2024.

**37.3** During the year, the Company identified that markup income on loan extended to an associated company, Saif Textile Mills Limited, amounting to Rs. 352 million was netted off against finance costs. As at 31 December 2024, the restatement resulted in increase in other income and finance cost by Rs. 352 million.

**37.4** During the current year the management identified that the delayed payment interest income amounting to Rs. 1,420 million for the year ended 31 December 2024 was recognized in revenue rather other income. In accordance with applicable financial reporting framework, the said amount has been reclassified from revenue to other income for fair presentation. Since this is a reclassification between income categories within the Statement of Profit or Loss, there is neither any impact on the opening retained earnings as at 1 January 2024, nor any impact on the Statement of Financial Position, Statement of Changes in Equity, or Statement of Cash Flows for any period presented.

### **38 GENERAL**

**38.1** The Board of Directors have proposed final dividend of Rs. 0.75 per share at their meeting held on March 25, 2026. These financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

**38.2** These financial statements were approved by the Board of Directors in their meeting held on March 25, 2026.

----sd----

Chief Financial Officer

----sd----

Chief Executive Officer

----sd----

Director

# Notice of 22<sup>nd</sup> Annual General Meeting

Notice is hereby given that the 22nd Annual General Meeting (AGM) of Shareholders of Saif Power Limited ("the Company") will be held on Friday, April 24, 2026, at 10:45 a.m. at Kehakshan Hall 2, ground floor at the Islamabad Hotel, G-6 Civic Centre, Melody Chowk, Islamabad.

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2025 together with Directors' and Auditors' reports thereon.
2. To consider and approve the final cash dividend of Rs.0.75 per share i.e. 7.5% for the year ended December 31, 2025 as recommended by the Board of Directors. This is in addition to interim cash dividend of Rs. 1.00 per share i.e. 10 % already paid.
3. To appoint auditors of the Company to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration. The retiring auditors KPMG Taseer Hadi & co, Chartered Accountants, Islamabad, who being eligible, have offered themselves for re-appointment. The Board of Directors upon recommendation of the Audit Committee has recommended the name of retiring auditors for the next term.

## SPECIAL BUSINESS:

4. To ratify and approve transactions entered into by the Company with associated Companies in its ordinary course of business by passing the following Special resolutions:-

**"RESOLVED THAT** the Company be and is hereby authorized to share common expenses with associated Companies which may include but not limited to administrative expenses, salaries, utility expenses, repair and maintenance and other miscellaneous expenses etc. (collectively the "Administrative Expenses")."

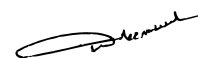
**"RESOLVED FURTHER THAT** the transactions entered into by the Company in its ordinary course of business with related parties during the year ended December 31, 2025 as disclosed in notes to the Financial Statements are hereby ratified and approved."

**"RESOLVED FURTHER THAT** the Acting Chief Executive and any director of the Company be and are hereby singly authorized to execute/ approve all the transactions to be carried out in its ordinary course of business with associated companies during the ensuing year ending December 31, 2026 and in this connection the Acting Chief Executive and any director of the Company be and are hereby signly authorized hereby also authorized to take any and all necessary actions and to sign execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

A statement of material facts as required under Section 134(3) of the Companies Act, 2017 in respect of Special Business to be transacted at the Annual General meeting is annexed.

5. To transact any other business with permission of the Chair.

By Order Of The Board



**Waseemullah**

Company Secretary

Islamabad

April 03, 2026

## Notes:

- i. Share Transfer Books of the Company shall remain closed from **April 18, 2026 to April 24, 2026** (both days inclusive). Transfers received at M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500. Pakistan, the Registrar and Share Transfer Agent of the Company, by the close of the business on **April 17, 2026** will be treated in time for the purpose of the above entitlement.
- ii. A shareholder entitled to attend and vote at this AGM is entitled to appoint a person as a proxy to attend and vote for and on his/her behalf. The instrument appointing a proxy and the power of attorney/Board Resolution or other authority (if any) under which it is signed or a notarized certified copy of the power or authority shall be deposited at the office must be received at the Company's Registered Office not later than 48 hours before the time of holding of the meeting.

# Notice of 22<sup>nd</sup> Annual General Meeting

CDC individual Account holders or Sub-account holders are required to bring with them their original CNIC / Original Passport along with participant's ID number and their Account numbers in order to facilitate identification. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen signature of nominees shall be required to be produced (unless provided earlier) at the time of meeting.

- iii. Shareholders are requested to immediately notify their change in address, if any to share registrar.
- iv. As per SECP's SRO 452 dated March 17, 2025, no gifts shall be distributed at the General Meetings.

## **SPECIAL NOTES TO SHAREHOLDERS:**

### **1. Availability and Transmission of Annual Report:**

- a. In accordance with the provision of Section 223 of the Companies Act, 2017, the audited financial statements of the Company for the year ended December 31, 2025 are available on the Company's website i.e www. Saifpower.com. However, the Company will provide hard copies of the Annual Report to any member upon request, at their registered address, free of cost, within one week of receiving such request, if the request is made by the member using the standard request form available on the Company's website or by email at info.spl@saifgroup.com.
- b. Pursuant to SECP's S.R.O. 389 (I)/2023, dated 21st March, 2023 and subsequently approved by the members in the Extraordinary General Meeting held on September 11, 2023, annual audited financial statements for the year ended December 31, 2025 encompassing statement of financial position, Statement of profit or loss, auditor's reports, directors' reports, and other relevant financial information have been made available through the following QR enabled code and web-link. Printed notices of the AGM, along with the weblink and QR code to download the Annual Report, have been dispatched to all members.

<https://saifpower.com/wp-content/uploads/2026/03/Financial-Statement-2025.pdf>



- c. The Company has electronically transmitted the Notice of AGM and the Annual Report 2025 via email to members whose email addresses are available with the Share Registrar. Printed notices of the AGM, along with the weblink and QR code to download the Annual Report, have been dispatched to all members.

### **2. Consent for video conference facility:**

Shareholders can also avail video conference facility under the provision of Section 134 of the Companies Act, 2017 to participate in AGM. Shareholders must hold in aggregate 10% or more shareholding residing in that city and consent of shareholders must reach at the registered address of the Company at least 7 days prior to AGM in order to participate in the meeting through video conference facility.

### **3. Payment of cash dividend electronically into the bank account:**

Under the proviso to Section 242 of the Companies Act, 2017, listed companies are required to pay cash dividends only through electronic mode directly into the bank accounts of shareholders. Shareholders holding shares in electronic form are requested to provide their bank account details to their respective Investor Account Services or brokers where their shares are maintained. Shareholders holding physical share certificates are requested to submit their bank account details through the Dividend Mandate Form to the Company's Share Registrar M/s THK ASSOCIATES (PVT) LIMITED, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, Email: sfc@thk.com.pk Dividend Mandate form is available on the Company's website: www.saifpower.com

### **4. Unclaimed dividend**

Shareholders, who for any reason, could not claim their dividend, are advised to contact our Share Registrar : M/s THK ASSOCIATES (PVT) LIMITED, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, Email:sfc@thk.com.pk and collect/ enquire about their unclaimed dividend.

### **5. Withholding tax on dividend**

Tax on dividend income will be deducted as per applicable tax rates for filers and non-filers. To enable the Company to make tax deduction on the amount of cash dividend @7.5% instead 15%, Shareholders are advised to make sure their names are entered into ATL before the date for payment of any future cash dividend otherwise tax on their cash dividend will be deducted @ 15% instead of 7.5%.

All shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of principal shareholder(s) and Joint-holder(s) in respect of shares held by them, to the Company's

# Notice of 22<sup>nd</sup> Annual General Meeting

Share Registrar: THK ASSOCIATES (PVT) LIMITED, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, Email: sfc@thk.com.pk, latest by April 17, 2026, otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholders		Joint Shareholders	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. Of Shares)

## 6. Zakat Declaration

Members desiring non-deduction of zakat are requested to submit a valid declaration for non-deduction of zakat.

## 7. Deposit of Physical Shares into CDC Account:

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into book-entry form, this will facilitate them in many ways including safe custody and sale of shares, any time they want. Further, Section 72 of the Companies Act, 2017 ("The Act") states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only.

## 8. E-Voting / Voting by Postal Ballot:

The Company shall provide its members with facilities for e-voting and voting by postal ballot for all businesses classified as special business, in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018.

E-Voting Procedure: a) Details of the e-voting facility will be shared through an e-mail with those members who have their valid CNIC numbers, cell numbers and registered e-mail addresses available in the register of the members of the Company by the close of business on April 17, 2026. b) E-voting facility will be available to eligible members from April 21, 2026, at 9:00 am and shall close on April 23, 2026 at 5:00 pm. c) Members can cast their votes at any time in this period. Once the vote on resolutions is casted by a member, he/she shall not be allowed to change it subsequently.

## 9. Participation of Shareholders through online Facility:

The Company will also be providing the online platform / facility to participate in the AGM in the shape of webinar/WebEx/zoom after completing all the formalities required for the verification and identification of the shareholders. The login facility will be opened at 10:30 a.m., on April 24, 2026 enabling the participants to join the proceedings which will start at 10:45 a.m. sharp. For this purpose, members are requested to register themselves by providing the following information through email at info.spl@saifgroup.com, at least 48 hours before the time of AGM: Name of member/proxy holders, CNIC, Folio Number/CDC account No., Cell No./WhatsApp No., and Email address.

### STATEMENT OF MATERIAL FACTS U/S 134(3) OF THE COMPANIES ACT, 2017

#### Agenda no. 4:

The transactions conducted with associated companies require the approval of the Board on the recommendation of the audit committee on the quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, since a majority of the Company's directors were interested in the said transactions due to their common directorship and holding of shares in the associated companies, the quorum of the directors could not be formed for approval of these transactions pursuant to Section 207 of the Companies Act, 2017, thus, these transactions are being placed before the members for their approval.

# Form of Proxy

I/We \_\_\_\_\_  
of \_\_\_\_\_ being a member of SAIF POWER LIMITED  
and holder of \_\_\_\_\_  
(Number of Shares)

Ordinary shares as per share Register Folio No. \_\_\_\_\_ and/or CDC  
Participant I.D.No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_, hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_ or failing him  
\_\_\_\_\_ of \_\_\_\_\_

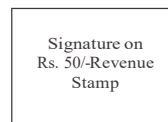
as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on April 24, 2026 Friday at 10:45 am or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

## Witnesses

1) Signature : \_\_\_\_\_  
Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
CNIC/Passport No. : \_\_\_\_\_

2) Signature : \_\_\_\_\_  
Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
CNIC/Passport No. : \_\_\_\_\_



(Signature must agree with the specimen signature registered with the company)

## NOTES:

1. No Proxy shall be valid unless duly signed along with revenue stamp and in case of a company should be executed under its common seal under signed by its authorized person.
2. This instrument appointing a proxy, duly completed, must be received at the registered Office of the Company at first Floor, Kashmir Commercial Complex, Block E, Fazal-ul-Haq Road, Blue Area, not later than 48 hours before the time of holding the Annual General Meeting.
3. Attested copies of the CNIC or the passport of beneficial owners shall be furnished with the proxy form.
4. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
5. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be furnished along with proxy form to the Company.



# Electronic Transmission Consent Form

Date: \_\_\_\_\_

General Manager

THK Associates (Pvt) Ltd

Plot No. 32-C, Jami Commercial Street 2,, Plot No. 32-C

Jami Commercial Street 2, D.H.A Phase VII, Karachi

Tel: 021 111 000 322 Email: sfc@thk.com.pk

Pursuant to the directions given by Securities and Exchange Commission of Pakistan through its S RO 787 (I)/2014 dated September 8, 2014, I/ we Mr./Ms/M / s \_\_\_\_\_

\_\_\_\_\_ S/ o, D/ o, W/ o \_\_\_\_\_

hereby give consent to receive the Audited Financial Statements along with notice of Annual General Meeting of M/s Saif Power Limited through email on my/our email address provided as under:

Name of Member / shareholder: \_\_\_\_\_

Folio/CDC Ac count Number: \_\_\_\_\_

Email Add ress: \_\_\_\_\_

It is stated that above mentioned particulars are true and correct. I/we shall notify you and the the Company in writing in case of any change in my/our email address or withdrawal of my/our above mentioned consent.

\_\_\_\_\_  
Signature of the Member/Sha reholder

CNIC Number:





Saif Group



## **SAIF POWER LIMITED**

1st Floor, Kashmir Commercial Complex (KCC),  
Fazal-ul-Haq Road, Block E, Blue Area, Islamabad.

Tel: +92-51-2271378-83, Fax: +92-51-2277670

[www.saifpower.com](http://www.saifpower.com)