

TRANSFORMING VISION

ANNUAL REPORT **2026**



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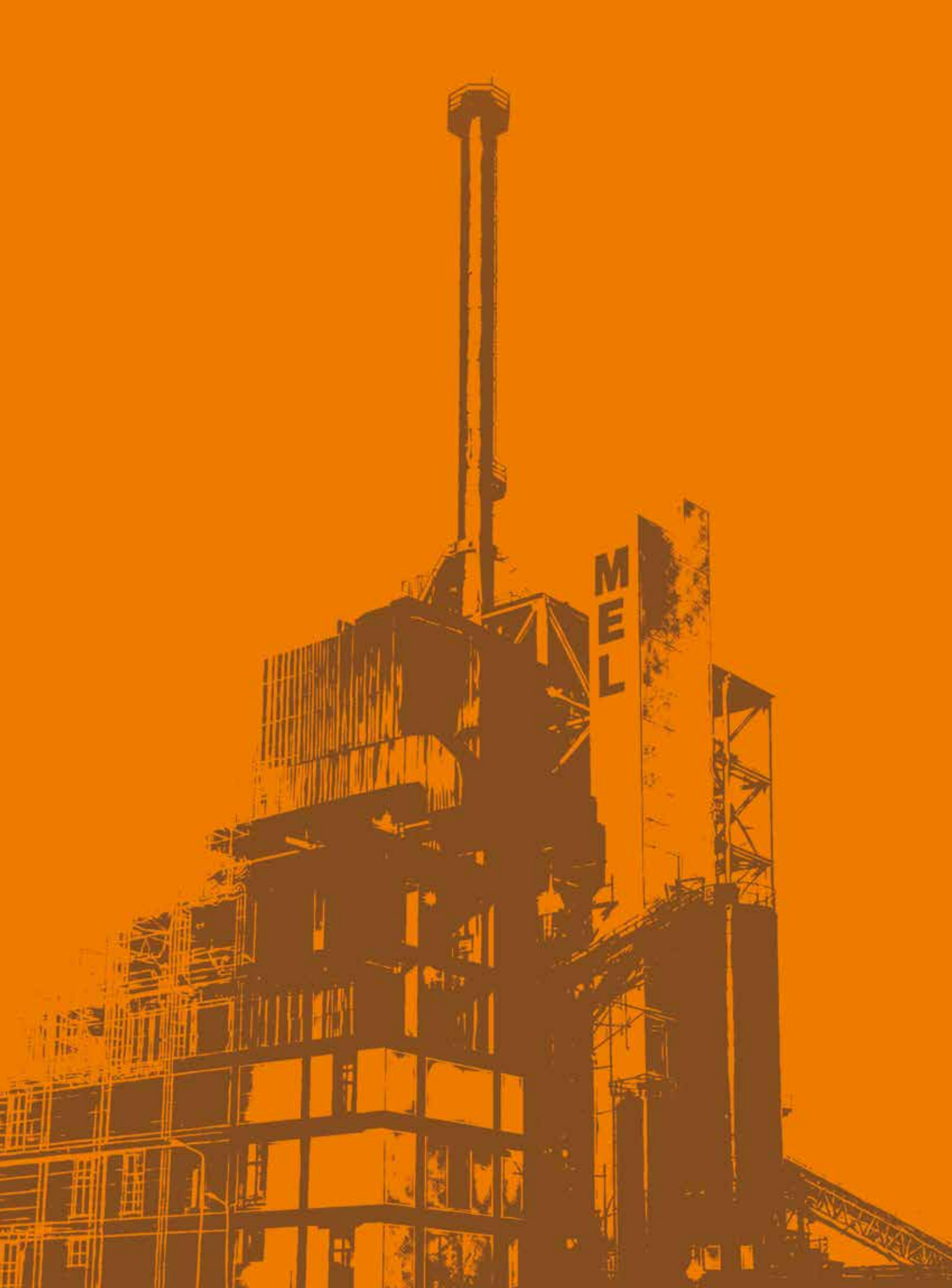
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01

ORGANIZATIONAL OVERVIEW

- Vision, Mission & Corporate Strategy
- Code of Conduct, Culture, Values & Ethical Principles
- Company Information
- Key Financial Data For Last Six Years





VISION, MISSION & CORPORATE STRATEGY

VISION STATEMENT

We envision to drive innovation and excellence in the energy sector while contributing to a cleaner environment and a prosperous community.

MISSION STATEMENT

Through innovation, efficiency, and a commitment to reducing emissions, we strive to make a positive impact on the environment and the communities we serve, fostering growth and development while ensuring energy security for the future.

CORPORATE STRATEGY

Develop and maintain a balanced energy portfolio that includes highly efficient, low-emission power plants to ensure a stable and sustainable supply of electricity by implementing best practices and advanced technologies to optimize the efficiency and reliability of our power generation processes, minimizing downtime and maximizing output.

Pursue strategic opportunities for expansion and diversification within the energy sector, focusing on scalable and sustainable projects that align with our long-term vision and mission.

Attract, retain, and develop top talent within the industry by providing a supportive and dynamic work environment that encourages innovation, professional growth, and a commitment to excellence.

Uphold the highest standards of corporate governance, ethics, and integrity in all our dealings, ensuring accountability and transparency across the organization.

Actively contribute to the well-being and development of the communities we operate in through social responsibility initiatives, educational programs, and sustainable practices.



CODE OF CONDUCT, CULTURE, VALUES & ETHICAL PRINCIPLES

Our Code of Conduct consists of the following principles which all Directors and employees are required to apply in their daily work and observe in the conduct of Company's business.

Compliance with Laws, Rules and Regulations

Every Director and employee must comply with all applicable laws, rules and regulations, including those related to insider trading, financial reporting, money laundering, fraud, bribery and corruption.

Personal Conflicts of Interest

Every Director and employee is prohibited from indulging in actions or relationships that create personal conflicts of interest unless approved by the Company.

Fair and Ethical Competition

Every Director and employee must deal fairly with customers, suppliers, competitors and each other.

Protecting Confidential Information

Every Director and employee must maintain the confidentiality of the information with which they are entrusted, including complying with information barrier procedures applicable to our business. The only exception is when disclosure is authorized or legally mandated.

Equal Employment Opportunities and Commitment to Diversity

We do not tolerate any type of discrimination prohibited by law, including harassment.

Political Contributions and Activities

Directors and employees are prohibited from making or soliciting political contributions or engaging in political activities.

Protecting and Properly Using Company's Assets

Everyone should protect the Company's assets and ensure their efficient use. All Company's assets should be used for legitimate business purposes only.

Public Relations

All employees share a responsibility for the Company's good public relations particularly at the community level.

Health & Safety

The Company has strong commitment to the health and safety of its employees and preservation of environment.

Non-Retaliation Policy

The Company strictly prohibits retaliation against anyone who reports in good faith a possible violation of the Code, no matter whom the report involves.

We pledge to comply and enforce the basic principles of Code of Conduct and prevent its violation. Any employee observing any violation or abuse of this Code of Conduct may bring the same to the notice of the Management in writing.

CULTURE

Our culture demonstrates the manifestation of shared values and beliefs, which we practice every day to move towards a better and more successful organization. Our values provide the foundation of our culture and bind us into a successful team yearning to outperform the competition.

VALUES

We tend to conduct our business in a socially responsible and ethical manner.



Integrity

We are dedicated to maintaining the highest ethical standards and ensuring openness and honesty in all our dealings by maintaining utmost integrity at all times.



Fairness

We are devoted to implement such policies and procedures, which translate into fair and equitable treatment of all stakeholders, including selection, hiring, rewarding and compensating all employees.



Trust

We trust, respect and support each other, and we strive to earn the trust of our customers and shareholders.



Teamwork

We are committed to fostering a culture where employees work as a team, listen to and respect each other, provide support to one another, work co-operatively and highly regard one another's views, making our work environment fun and enjoyable.



Diversity

We provide equal opportunities to all our employees without any bias against gender, race, ethnicity and religion.



Ingenuity

We seek new opportunities and out-of-the-ordinary solutions.



Customer Satisfaction

Our experience shows that if we satisfy our customers well, our own success will follow.



Excellence

We make sure that we always do what we say we will and strive for excellence and quality in everything that we do.



Laws & Regulations

We are dedicated to complying fully with the letter and spirit of the laws, rules and ethical principles that govern us. Our continued success depends upon unswerving adherence to this standard.



Personnel Development

We are endeavored to foster a culture where people come first and we hire, develop, train and retain our people to work as synergized teams in line with our mission and vision.



Innovation

While recognizing that the old way may still be the best way, we constantly strive to find a better way of doing things.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mirza Javed Iqbal
Mr. Jamshed Iqbal
Mr. Khurram Javaid
Mr. Abdul Rehman Qureshi
Mr. Muhammad Mateen Jamshed
Mrs. Jahanara Sajjad Ahmad
Mr. Muhammad Aslam Bhatti

AUDIT COMMITTEE

Mr. Muhammad Aslam Bhatti
Mr. Mirza Javed Iqbal
Mr. Muhammad Mateen Jamshed

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Muhammad Aslam Bhatti
Mr. Mirza Javed Iqbal
Mr. Jamshed Iqbal

CHIEF OPERATING OFFICER

Mr. Shakeel Ahmad Mughal
Tel: +92-42-35960841 Ext: 154
E-mail: Shakeel.ahmad@mughalsteel.com

CHIEF FINANCIAL OFFICER

Mr. Muhammad Zafar Iqbal
Tel: +92-42-35960841 Ext: 138
E-mail: zafariqbal@mughalsteel.com

COMPANY SECRETARY

Mr. Muhammad Fahad Hafeez
Tel: +92-42-35960841 Ext: 155
E-mail: fahadhafiez@mughalsteel.com

SHARE REGISTRAR & TRANSFER AGENT

Digital Custodian Company Limited
Pardesi House 4th Floor, Old Queens Road
Karachi, Pakistan
Tel: +92-21-32419770
Email: info@digitalcustodian.com

STATUTORY AUDITORS

Muniff Ziauddin & Company
Chartered Accountants
(A member of BKR International)

LEGAL ADVISOR

Muhammad Atif Butt

SHAREHOLDER COMPLAINT HANDLING CELL

In case of shareholder complaint/queries,
please contact:
Mr. Zeeshan Ejaz
Tel: +92-42-35960841 Ext:136
Email: fahadhafiez@mughalsteel.com

BANKERS / INSTITUTIONS

The Bank of Punjab (Taqwa Islamic Banking)
MCB Islamic Bank Limited
PAIR Investment Company Limited
Parwaaz Financial Services Limited
United Bank Limited (Ameen Islamic Banking)

ENTITY CREDIT RATING

Long-term: A
Short-term: A2
Outlook: Developing
Agency: PACRA

GEOGRAPHICAL PRESENCE

Registered / Corporate Office

31-A, Shadman I
Lahore, Pakistan
Tel: +92-42-35960841-3
Fax: +92-42-35960846

Plant Site

17-Km Sheikhpura Road
Lahore, Pakistan

COMPANY WEBSITE:

The Company is operating website
www.mughalenergy.com.pk containing
updated information regarding the Company.

**Note: MEL's Annual & Interim
Financial Statements are also available
at the above website.**



KEY FINANCIAL DATA FOR LAST SIX YEARS

Rupees	2025	2024	2023	2022	2021	2020
STATEMENT OF FINANCIAL POSITION						
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	6,466,457,989	4,464,549,751	3,051,497,833	1,672,238,889	799,261,558	467,915,375
Long-term security deposit	87,500	87,500	87,500	-	-	-
	6,466,545,489	4,464,637,251	3,051,585,333	1,672,238,889	799,261,558	467,915,375
CURRENT ASSETS						
Advances	-	13,047,000	33,258,971	-	11,872,440	-
Due from the government	758,585,265	459,095,089	244,621,855	133,524,683	1,510,594	895,111
Cash and bank balances	14,760,779	205,656,677	60,941,033	20,617,557	149,003,962	34,707,376
	773,346,044	677,798,766	338,821,859	154,142,240	162,386,996	35,602,487
Total assets	7,239,891,533	5,142,436,017	3,390,407,192	1,826,381,129	961,648,554	503,517,862
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Authorized share capital	2,500,000,000	2,500,000,000	2,500,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	2,166,732,420	2,166,732,420	1,972,622,420	451,401,000	451,401,000	451,401,000
Share premium	116,365,179	116,365,179	-	-	-	-
Revaluation surplus on property, plant and equipment	1,064,174,125	1,064,174,125	1,064,174,125	-	-	-
Accumulated loss	(126,732,797)	(105,452,774)	(86,282,493)	(48,216,340)	(38,859,476)	(36,608,962)
Equity contribution / loan from Directors	214,666,792	214,666,792	130,860,574	1,412,787,203	535,281,007	88,614,019
	3,435,205,719	3,456,485,742	3,081,374,626	1,815,971,863	947,822,531	503,406,057
LIABILITIES						
NON-CURRENT LIABILITIES						
Long-term financing	3,270,934,316	388,182,140	300,000,000	-	-	-
CURRENT LIABILITIES						
Trade and other payables	163,943,132	83,140,623	2,494,033	10,409,266	13,826,023	111,805
Accrued profit / mark-up	24,881,794	376,983,463	6,538,533	-	-	-
Short-term borrowings - unsecured	-	33,054,027	-	-	-	-
Short-term loans from Directors - unsecured	264,508,448	770,772,162	-	-	-	-
Current portion of long-term financing	80,418,124	33,817,860	-	-	-	-
	533,751,498	1,297,768,135	9,032,566	10,409,266	13,826,023	111,805
Total liabilities	3,804,685,814	1,685,950,275	309,032,566	10,409,266	13,826,023	111,805
Total equity and liabilities	7,239,891,533	5,142,436,017	3,390,407,192	1,826,381,129	961,648,554	503,517,862
STATEMENT OF PROFIT OR LOSS						
Administrative expenses	(25,823,187)	(21,607,807)	(33,077,305)	(14,966,006)	(2,161,453)	(1,346,915)
Other charges	(790,250)	(1,071,460)	(105,000)	(75,000)	(75,000)	(75,000)
Other income	8,107,954	3,515,373	5,623,232	5,717,853	-	-
Finance cost	(2,774,540)	(6,387)	(6,045)	(33,711)	(14,061)	(158)
Loss for the year	(21,280,023)	(19,170,281)	(27,565,118)	(9,356,864)	(2,250,514)	(1,422,073)
STATEMENT OF COMPREHENSIVE INCOME						
Other comprehensive income:						
Items that will not be subsequently reclassified to profit and loss:						
- Revaluation surplus on property, plant and equipment	-	-	1,064,174,125	-	-	-
Other comprehensive income for the year	-	-	1,064,174,125	-	-	-
Total comprehensive (loss) / income for the year	(21,280,023)	(19,170,281)	1,036,609,007	(9,356,864)	(2,250,514)	(1,422,073)

02

DIRECTORS' REPORT

- Chairman's Review Report
- Directors' Report to the Shareholders
- شئیر ہولڈرز کے لئے ڈائریکٹرز کی رپورٹ
- چیئرمین کی جائزہ رپورٹ

CHAIRMAN'S REVIEW REPORT

I am pleased to present the Chairman's Review Report for the year ended June 30, 2026.

The Company is governed by a diverse and competent Board of Directors comprising members with an appropriate mix of core competencies, diversity, requisite skills, knowledge and experience, together with such other attributes considered relevant in the context of the Company's operations.

Throughout the year, the Board provided effective leadership and strategic oversight in accordance with the Company's vision, mission and long-term objectives. It ensured the effective management of the Company's affairs, safeguarded stakeholders' interests and upheld high standards of governance, accountability and transparency. The Board also oversaw the adoption and effectiveness of corporate governance practices, while its members remained committed to maintaining high ethical standards in the discharge of their responsibilities.

Based on the overall assessment of its performance during the year, the Board satisfactorily discharged its responsibilities and provided appropriate strategic direction and oversight to the Company. The Board and its committees met as required and continued to perform their respective responsibilities in accordance with their terms of reference. The Board remained actively engaged in reviewing the Company's strategic priorities, operational progress, financial matters and key risks throughout the year.

The positions of Chairman of the Board and Chief Executive Officer are held separately, ensuring a clear division of roles and responsibilities. The Chairman is responsible for providing leadership to the Board and facilitating the effective conduct of its proceedings, while the Chief Executive Officer, being an Executive Director, is responsible for leading the management of the Company and implementing the strategies and objectives approved by the Board. Management remains responsible for conducting the day-to-day operations of the Company in accordance with the strategic direction established by the Board.

During the year, the Board played an effective role in guiding the Company towards the achievement of its strategic objectives, particularly through its oversight of the development and commissioning of the Company's power plant project. The Board regularly reviewed the progress of the project, key operational and financial matters, principal risks and corresponding mitigating measures. The Board also remained focused on environmentally responsible operations, while ensuring that the Company continued to progress towards the commencement of commercial operations.

Subsequent to the close of the financial year, the Company successfully commissioned the main 31.50 MW turbine of its captive hybrid power plant project and achieved its Commercial Operation Date (COD) following the successful completion of all requisite testing and commissioning activities being ready for commercial billing with effect from August 31, 2026.

The Board continued to exercise oversight over the integrity and quality of the Company's financial reporting, appropriateness of accounting policies, transparency of disclosures, corporate plans and objectives, and the adequacy of the overall control environment. The Board also regularly reviewed the principal risks faced by the Company and the measures adopted to mitigate such risks. Appropriate systems and controls are in place to support an effective control environment and compliance with applicable corporate governance requirements.

The Board has also established a Code of Conduct setting out the standards of behavior expected across the Company, which has been disseminated throughout the organization. The Board remains committed to promoting a culture of integrity, accountability and responsible corporate conduct.

On behalf of the Board, I would like to acknowledge the dedication and commitment of the executive management team and all employees of the Company. I also extend my sincere appreciation to our shareholders, lenders, business partners and other stakeholders for their continued trust and support.

The Board remains committed to providing effective leadership and strategic oversight as the Company enters its next phase of commercial operations and pursues sustainable long-term value creation for its stakeholders.



Mirza Javed Iqbal

Chairman of the Board

Lahore: September 11, 2026



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Mughal Energy Limited are pleased to present the Directors' Report along with the Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Auditor's Report thereon.

PRINCIPAL ACTIVITY AND STRUCTURE

The principal activity of the Company is to carry on business of generating and supplying electricity. The Company is a subsidiary of Mughal Iron & Steel Industries Limited (holding company).

PAKISTAN ECONOMY OVERVIEW

During FY-2026, Pakistan's economy progressed from stabilization towards a gradual recovery, although the year was marked by two distinct phases. During the period up to February 2026, improving macroeconomic stability supported business confidence and economic activity. The external and fiscal positions also strengthened, providing a more stable operating environment. However, the latter part of the year, witnessed renewed inflationary and external-account pressures along with increasing uncertainty for businesses and investors, due to the Middle East conflict. Going forward, sustainable economic recovery will depend on continued structural reforms, improved investment conditions and the economy's ability to withstand evolving geopolitical and external pressures.

BUSINESS, FINANCIAL & OPERATIONAL REVIEW

The financial highlights of the Company for the year ended June 30, 2026 are as follows:

	Year ended June 30,	
	2026	2025
	(Rs. in Millions)	
Profit / (loss) for the year	9.132	(21.280)
Earnings / (loss) per share – Basic (Rs.)	0.05	(0.11)

*There was no diluted earnings per share.

Profit for the year was primarily attributable to rental income and notional income recognized in respect of property development. The increase in property, plant and equipment reflected capital expenditure incurred on the hybrid power plant project, while the solar plant remained leased out during the year. Inventories increased due to the procurement of imported coal for the power plant. Deposits and other receivables increased mainly due to margins placed against letters of credit and an amount receivable from a single party against the sale of surplus coal inventory, which was subsequently recovered.

Out of the total long-term loan payable to holding company, Rs. 1,858.333 million was early repaid during the year. Rs. 2,500.000 million was obtained from United Bank Limited for a period of 5 years. Short-term borrowings represented outstanding funded exposure from banks against import of coal. The Company's net worth as at June 30, 2026 stood at Rs. 4,045.043 million as compared to Rs. 3,435.206 million as at June 30, 2025 with a breakup value of Rs. 18.67 per share as at June 30, 2026 as compared to Rs. 15.85 as at June 30, 2025. On the operational front, significant progress was made with regards to the development / installment of the 36.50 MW hybrid power plant project.

The Company has an effective cash management system. The Company constantly monitors cash flows to ensure overall liquidity. All contingencies and commitments have been disclosed in detail in relevant notes to the financial statements.

SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

The results are reported as a single reportable segment. Information about segmental review has been given the relevant notes to the financial statements.

SUBSEQUENT EVENTS / MATERIAL CHANGES

The Company successfully commissioned the main 31.50 MW turbine of its captive hybrid power plant project and achieved its Commercial Operation Date (COD) following the successful completion of all requisite testing and commissioning activities being ready for commercial billing with effect from August 31, 2026.

Except as otherwise disclosed, there were no other material changes or commitments which have occurred between the end of financial year of the Company to which the financial statements relate and the date of this report.

DIVIDENDS AND APPROPRIATIONS

Since, the Company was in pre-commencement stage, therefore, no dividend has been declared nor any other appropriations were made.

PRINCIPAL ACTIVITIES OF THE COMPANY AND DEVELOPMENT AND PERFORMANCE OF THE COMPANY'S BUSINESS DURING THE YEAR

The details related to development and performance of the Company's business has been provided in relevant areas of the Directors' report.

CHANGES IN NATURE OF BUSINESS

There has been no change in nature of the business of the Company during the year, nor were there any companies in which the Company had any interest therein, except as disclosed elsewhere.

FUTURE OUTLOOK AND THE MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY'S BUSINESS

The Company's future performance will principally depend on the stable operation of its hybrid power plant, and the cost and availability of fuel. Following the year end, the 31.5 MW main turbine commenced commercial operations. The Board expects this to establish a recurring revenue stream, subject to plant availability and electricity demand. Fuel prices, exchange rates, financing costs, and changes in energy and environmental regulation will also affect the Company's profitability and financial position. The Company will focus on reliable generation, efficient fuel procurement and prudent management of its financing obligations

COMPOSITION OF THE BOARD

The Board comprises of seven members. The composition as at the close of the financial year was as follows:

Total Number of Directors:	
(a) Male	6
(b) Female	1

Composition:	
Independent Directors	2*
Non-Executive Directors	4
Executive Director	1
Female Director	1

*In respect of independent directors, the Company has not rounded up the fraction as one, as the Board has determined the current composition adequate.

NAMES OF PERSONS WHO AT ANY TIME DURING THE FINANCIAL YEAR WERE DIRECTORS OF THE COMPANY

Following are the names of the persons who, at any time during the financial year, were Directors of the Company:

S. No.	Name of Directors	Designation
1.	Mr. Mirza Javed Iqbal	Chairman / Non-Executive Director
2.	Mr. Jamshed Iqbal	Non-Executive Director
3.	Mr. Khurram Javaid	CEO / Executive Director
4.	Mr. Abdul Rehman Qureshi	Non-Executive Director
5.	Mr. Muhammad Mateen Jamshed	Non-Executive Director
6.	Mr. Fahad Javaid	Non-Executive Director
7.	Mrs. Jahanara Sajjad Ahmad	Independent / Non-Executive Director
8.	Mr. Muhammad Aslam Bhatti	Independent / Non-Executive Director

During the financial year, five meetings of the Board were conducted. No meetings were held outside Pakistan during the year. Leave of absence, if any, was duly taken.

During the year, Mr. Abdul Rehman Qureshi was appointed as Non-Executive Directors w.e.f from November 01, 2025 in place of Mr. Fahad Javaid, who resigned from its position as Director w.e.f October 30, 2025.

In addition to the above meeting, certain urgent matters are approved by the directors by passing of resolutions through circulations. During the year, there was only one such instance.

NAMES OF MEMBERS OF THE BOARD COMMITTEES

Audit Committee

Following are the names of the members of the Audit Committee:

S. No.	Name of Members	Designation
1.	Mr. Muhammad Aslam Bhatti	Chairman / Independent Director
2.	Mr. Mirza Javed Iqbal	Member / Non-Executive Director
3.	Mr. Muhammad Mateen Jamshed	Member / Non-Executive Director

During the financial year, five meetings of the Committee were conducted.

Human Resource and Remuneration (HR&R) Committee

Following are the names of the members of the Human Resource and Remuneration (HR&R) Committee:

S. No.	Name of Members	Designation
1.	Mr. Muhammad Aslam Bhatti	Chairman / Independent Director
2.	Mr. Mirza Javed Iqbal	Member / Non-Executive Director
3.	Mr. Jamshed Iqbal	Member / Non-Executive Director

During the financial year, one meeting of the Committee was conducted.

DIRECTORS' REMUNERATION

The remuneration of Board Members is approved by the Board. However, it is ensured that no Director takes part in deciding his own remuneration. Non-Executive Directors and Independent Directors are only paid meeting fee. For information on remuneration packages of Directors and CEO aggregate amount charged in these financial statements, please refer relevant notes to the financial statements.

DIRECTORS' EVALUATION

Effective mechanism has been put in place to review the Board's performance on self-assessment basis. Board of Directors continued to provide valuable guidance to ensure effective governance.

DIRECTORS' ORIENTATION AND TRAINING PROGRAM

All of the Directors have completed the Director's Training Program certification from authorized institutions.

Furthermore, appropriate arrangements are made for detailed orientation of new Directors to familiarize them with their duties and responsibilities. A formal familiarization program primarily includes amongst other things giving briefings relating to the Company's visions and strategies, the Company's core competencies, organizational structure, role and responsibility of the director as per the Companies' Act, including the Code of Corporate Governance and any other regulatory laws applicable in Pakistan.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Boards has established efficient and effective systems on internal financial controls. Implementation of these controls is regularly monitored by an Independent Internal Audit Function which reports directly to the Audit Committee. The Audit Committee reviews on a periodic basis the effectiveness and adequacy of internal controls frameworks and financial statements of the Company.

PATTERN OF SHAREHOLDING

Information about the pattern of holding of the shares is annexed.

TRANSACTION / TRADE IN COMPANY'S SHARES

All the trades in shares of the Company carried out by the Directors, Executives and their spouses and minor children, if any, during the financial year 2026 are disclosed in pattern of shareholding annexed to the Annual Report. Executives include Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit and Company Secretary and certain other employees for whom the Board of Directors will set a threshold. In accordance with the threshold set by the Board of Directors, employees who are drawing annual basic salary of Rs. 4.000 million or more are regarded as Executives.

RELATED PARTY TRANSACTIONS

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and applicable laws & regulations, details of all related party transactions are placed before the Audit Committee and upon recommendations of the Audit Committee, the same are placed before the Board for review and approval. In addition to the above, as required under Companies Act, 2017, details of contracts or arrangements entered into along with the justifications for entering into such contracts or arrangements have been disclosed in relevant notes to the financial statements.

POLICY FOR RELATED PARTY TRANSACTIONS

The Board of Directors has approved a policy for related party transactions, which require that the Company shall carry out transactions with its related parties on an arm's length basis in the normal course of business. The term 'arm's length' requires conducting business on the same terms and conditions as the business between two unrelated / unconcerned persons. The policy specifies that all transactions entered into with related parties shall require Board's approval, however, where majority of the Directors are interested, such transactions shall be approved/ratified by the members at the general meeting.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year, the Company has contributed an amount of Rs. 580.531 million approx. towards national exchequer in shape of taxes, duties, cess, levies etc.

FINANCIAL & CORPORATE REPORTING FRAMEWORK

The Company is determined to meet and wherever possible, exceed in all legal and ethical requirements and to conduct all businesses according to the highest professional and ethical standards and practices. The Company is fully cognizant of its responsibility as recognized by the Companies Act, 2017 and the listed companies Code of Corporate Governance Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan (SECP). The following comments are acknowledgement of Company's commitment to high standards of Corporate Governance and continuous improvement:

- a. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b. The Company has maintained proper books of accounts.
- c. Appropriate accounting policies have been consistently applied (except as disclosed in annexed financial statements) in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgement.
- d. International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of the financial statements and any departures, therefrom, if any, have been adequately disclosed and explained.
- e. The system of internal controls including financial controls is sound in design and has been effectively implemented and monitored.
- f. There are no doubts upon the Company's ability to continue as a going concern.
- g. The Company does not operate any gratuity scheme.
- h. The Company has not defaulted in repayment of any debt nor is it likely to default in future.
- i. Company places priority to safety and health of its employees. Provide proper medical cover and carry out periodical medical screening of employees.
- j. There is no material departure from the best practices of corporate governances detailed in the listing regulations.
- k. Appropriate whistleblower protection mechanism is in place.

We have included the following information separately, either in this report or in the financial statements as appropriate;

- a. Detail of material changes or commitments which have occurred between the end of financial year of the Company to which the financial statements relate and the date of this report.
- b. Significant deviations from last year in operating results of the Company and reasons for such deviations.
- c. Key operational and financial data for the last six years.
- d. Details of significant plans, decisions along with future prospects, risks and uncertainties surrounding the Company.

AUDITORS

The present auditors of the Company M/s. Muniff Ziauddin & Company have completed their audit for the year ended June 30, 2026 and have issued an unmodified audit report. The auditors will retire at the conclusion of the forthcoming Annual General Meeting of the Company, and being eligible; have given their consent for re-appointment as auditors for the year ended June 30, 2027. The Board has recommended the appointment of M/s. Muniff Ziauddin & Company as auditors for the ensuing year, as recommended by the Audit Committee, subject to approval of the members in the forthcoming Annual General Meeting.

RISK MANAGEMENT FRAMEWORK

The Board has overall responsibility for the establishment and oversight of the risk management framework and for developing and monitoring the risk management policies. While the risks can be numerous, the combined principal risks faced by the Company, are described below along with the corresponding response actions.

Political Risk

Political uncertainty and instability impact the business and its profitability. Political situation of the country including changes in Government, regulations and business policies are monitored closely and appropriately to take timely decision.

Economic Risk

Economic conditions of a country generally affect all businesses that exist in that country. Increase in commodity prices, high interest costs, high inflation, high exchange rates, taxation and low economic growth impact organizations. Economic conditions are monitored appropriately to take timely decisions to avoid any

unfavorable impact on the Company's business. Interest rate impact is managed by controlling working capital cycles.

Credit Risk

Banks may default in payments. Risk of default by banks has been mitigated by placement of funds with banks having satisfactory credit ratings.

Liquidity Risk

Insufficient cash available to pay liabilities resulting in a liquidity problem. We have a proactive cash management system. Committed credit lines from banks are also available to bridge a liquidity gap, if any.

Raw Material Sourcing Risk

Adverse price movement or no availability of raw materials may deter smooth production. We have an experienced procurement team who is well versed in acquiring the necessary raw material for production.

Plant Operational Risk

The Company may be exposed to operational risks including equipment breakdowns, unplanned outages, plant performance and efficiency issues, and other operational contingencies that may affect the availability and reliability of the power plant. To mitigate these risks, the Company has engaged experienced technical and operational professionals for the operation and maintenance of the plant. Preventive and scheduled maintenance programs, operating procedures and continuous monitoring systems are in place to support safe, reliable and efficient operations. In addition, the power plant is adequately insured against operational risks and other applicable contingencies, thereby mitigating the potential financial impact of unforeseen events.

Laws & Environmental Regulations

The Company is regulated by a number of Government regulations which are required to be strictly followed. Default in this regard can have serious consequences. The Company has employed various professionals of respective fields so that the Company would strongly and strictly follow all the laws that are applicable to the Company.

Sustainability Related Risk

The Company faces sustainability related risks including regulatory changes, environmental compliance costs, evolving stakeholder expectations, and reputational risks from social or governance lapses. Failure to adapt may

impact operational continuity and investor confidence. We remain steadfast in our commitment to responsible growth by elevating safety standards, accelerating decarbonization efforts, and empowering our workforce. Through continuous innovation and strong collaboration with communities and suppliers, we aim to operate sustainably and in alignment with the natural environment.

Uncertainties Facing The Company

The Company is mainly exposed to following uncertainties:

- Political uncertainty
- Economic and operational uncertainties
- Fluctuations in interest rates
- Currency devaluation
- Raw material price volatility

ROLE OF THE BOARD AND ITS MEMBERS TO ADDRESS SUSTAINABILITY RISKS AND OPPORTUNITIES

The Board is responsible for governance and oversight of sustainability risks and opportunities, which includes the environmental, social and governance considerations, within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value.

The Board is also responsible for establishing policies for promoting Diversity, Equity and Inclusion (DE&I) to encourage gender mainstreaming, gender equality and the participation of women on the Board, management and workforce of the Company.

As per directive dated December 31, 2024 issued by the Securities & Exchange Commission of Pakistan (SECP), IFRS – S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS – S2 'Climate-related Disclosures' shall be applicable from annual period beginning from July 1, 2026.

SUSTAINABILITY

We are committed to a comprehensive sustainability approach built on environmental stewardship, social responsibility, and strong governance. We remain committed to enhancing workplace safety and employee well-being. Environmentally, we are adopting technologies which minimize emissions and waste. Governance practices are reinforced through ethical conduct policies, compliance frameworks, and ESG oversight—ensuring responsible operations that create long-term value for all stakeholders.

DIVERSITY, EQUITY, & INCLUSION (DE&I)

Promoting DE&I is a key priority for the Company and is integral to its sustainable and ethical business practices. A comprehensive DE&I strategy with clear and measurable goals, targeting increased gender and ethnic diversity and inclusion at all levels, is in place. The Company implements inclusive recruitment practices, such as using diverse job boards, blind recruitment processes, and diverse interview panels.

GENDER DIVERSITY

Mean Gender Pay Gap:- Not Applicable

Median Gender Pay Gap:- Not Applicable

The Company commenced its commercial operations on August 31, 2026. As at year ended June 30, 2026, the Company has no female employees: therefore, the Mean and Median Gender Pay Gap cannot be calculated.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company remains committed to responsible corporate citizenship by integrating social, ethical and environmental considerations into its business practices. During the year, the Company continued to focus on responsible employment practices, occupational health and safety, employee well-being and compliance with applicable labor and employment requirements. The Company remains committed to fostering an inclusive and respectful workplace, including compliance with applicable requirements relating to employment opportunities for persons with disabilities. As the Company transitions into commercial operations, it will continue to evaluate opportunities for community engagement and welfare initiatives while maintaining responsible and sustainable business practices.

IMPACT OF THE COMPANY'S BUSINESS ON ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY

The Company remains committed to minimizing the environmental impact of its operations through the adoption of appropriate technologies, environmental controls and responsible operating practices. The captive

hybrid power plant incorporates environmental control technologies designed to limit emissions and improve resource efficiency. The plant has been designed for SO_x and NO_x emission levels of 300 mg/Nm³ and 200 mg/Nm³, respectively, which are within the applicable regulatory limits in Pakistan. The multi-fuel power plant is designed to operate on a combination of coal and bio-fuel, providing flexibility in the generation mix. To mitigate the environmental impact associated with ash and particulate emissions, the plant incorporates electrostatic precipitators and a bag filter house. In addition, a water treatment facility has been installed for the treatment and recycling of water, supporting efficient utilization of water resources. The Company also remains focused on enhancing green areas within the power plant premises and its surrounding vicinity through plantation initiatives. As part of its broader corporate responsibility, the Company remains committed to providing a safe and healthy working environment for its employees and maintaining appropriate occupational health and safety practices.

CHAIRMAN'S REVIEW REPORT

The Directors endorse the contents of the Chairman's Review Report.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, in the prescribed form, is included in the Annual Report together with the Statutory Auditor's Review Report thereon. The Statement of Compliance has been approved by the Board of Directors.

ACKNOWLEDGEMENTS

The Board would like to express its sincere appreciation to the Company's employees, executives, bankers, consultants, suppliers and other stakeholders for their continued dedication, cooperation and support throughout the year. Their collective efforts have contributed significantly to the Company's progress during the year.

The Board also extends its gratitude to all stakeholders for their continued trust and support and looks forward to their valued cooperation in the years ahead.

On behalf of the Board,



Mirza Javed Iqbal

Chairman / Director



Khurram Javaid

Chief Executive Officer / Director

Lahore: September 11, 2026

کرنا ہے۔ کمپنی متنوع بھرتی کے عمل کو نافذ کرتی ہے، جیسے متنوع جاب بورڈز، بلائینڈرکریوٹمنٹ اور متنوع انٹرویو پینلز۔

جنس کی تنوع (Gender Diversity)

اوسط (Mean) صنفی اجرت کے فرق (Gender Pay Gap): - لاگو نہیں۔

وسطی (Median) صنفی اجرت کے فرق (Gender Pay Gap): - لاگو نہیں۔

کمپنی نے 31 اگست 2026 کو اپنی تجارتی سرگرمیوں کا آغاز کیا۔ 30 جون 2026 کو ختم ہونے والے مالی سال کے اختتام پر کمپنی میں کوئی خاتون ملازم موجود نہیں تھی؛ لہذا اوسط (Mean) اور وسطی (Median) صنفی اجرت کے فرق (Gender Pay Gap) کا حساب نہیں کیا جاسکتا۔

کارپوریٹ سماجی ذمہ داری (CSR)

کمپنی اپنے کاروباری طریقہ کار میں سماجی، اخلاقی اور ماحولیاتی عوامل کو شامل کرتے ہوئے ذمہ دار کارپوریٹ شہری کی حیثیت سے اپنی ذمہ داریوں کو پورا کرنے کے لیے پُر عزم ہے۔ سال کے دوران، کمپنی نے ذمہ دارانہ روزگار کے طریقہ کار، پیشہ ورانہ صحت و سلامتی، ملازمین کی فلاح و بہبود اور قابل اطلاق محنت و روزگار سے متعلق تقاضوں کی تعمیل پر مسلسل توجہ مرکوز رکھی۔ کمپنی ایک جامع، شمولیتی اور باہمی احترام پر مبنی کام کے ماحول کو فروغ کے لیے پُر عزم ہے، جس میں معذور افراد کے لیے روزگار کے مواقع سے متعلق قابل اطلاق قانونی تقاضوں کی پابندی بھی شامل ہے۔ جیسے ہی کمپنی تجارتی سرگرمیوں کے مرحلے میں داخل ہو رہی ہے، وہ کمیونٹی سے روابط اور فلاحی اقدامات کے مواقع کا مسلسل جائزہ لیتی رہے گی، جبکہ ذمہ دارانہ اور پائیدار کاروباری طریقہ کار کو برقرار رکھنے کے لیے بھی پُر عزم رہے گی۔

ماحول پر کمپنی کے کاروبار کے اثرات اور کارپوریٹ سماجی ذمہ داری

کمپنی اپنی سرگرمیوں کے ماحولیاتی اثرات کو کم سے کم کرنے کے لیے مناسب ٹیکنالوجی، ماحولیاتی کنٹرولز اور ذمہ دارانہ آپریشنل طریقہ کار اپنانے کے لیے پُر عزم ہے۔ کپٹو ہائبرڈ پاور پلانٹ میں ماحولیاتی کنٹرول کی ایسی ٹیکنالوجی شامل کی گئی ہیں جو اخراج کو محدود کرنے اور وسائل کے مؤثر استعمال کو بہتر بنانے کے لیے ڈیزائن کی گئی ہیں۔ پلانٹ کو بالترتیب SOx اور NOx کے اخراج کی سطح 300 mg/Nm³ اور 200 mg/Nm³ کے لیے ڈیزائن کیا گیا ہے، جو پاکستان میں نافذ العمل متعلقہ ماحولیاتی ضوابط کی مقررہ حدود کے اندر ہیں۔ ملٹی فیول پاور پلانٹ کو کوئلے اور بائیو فیول کے امتزاج پر چلانے کے لیے ڈیزائن کیا گیا ہے، جس سے بجلی کی پیداوار کے لیے ایندھن کے امتزاج میں چمک پیدا ہوتی ہے۔ راکھ اور ذرات کے اخراج سے پیدا ہونے والے ماحولیاتی اثرات کو کم کرنے کے لیے پلانٹ میں الیکٹرواسٹیک پریسیپیٹرز (Electrostatic Precipitators) اور بیگ فلٹر ہاؤس (Bag Filter House) نصب کیے گئے ہیں۔ مزید برآں، پانی کے علاج اور ری سائیکلنگ کے لیے وائرٹریٹمنٹ کی سہولت بھی قائم کی گئی ہے، جو پانی کے وسائل کے مؤثر اور ذمہ

دارانہ استعمال میں معاون ہے۔ کمپنی پاور پلانٹ کے احاطے اور اس کے ارد گرد کے علاقوں میں شجرکاری کے اقدامات کے ذریعے سبزہ بڑھانے پر بھی توجہ مرکوز کیے ہوئے ہے۔ اپنی وسیع تر کارپوریٹ ذمہ داری کے تحت، کمپنی اپنے ملازمین کے لیے محفوظ اور صحت مندا کام کرنے کا ماحول فراہم کرنے اور پیشہ ورانہ صحت و سلامتی کے مناسب طریقہ کار برقرار رکھنے کے لیے بھی پُر عزم ہے۔

چیئرمین کی جائزہ رپورٹ

ڈائریکٹرز چیئرمین کی جائزہ رپورٹ کے بیان کی تصدیق کرتے ہیں۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان

لیڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت مقررہ فارمیٹ میں تعمیل کا بیان (Statement of Compliance) سالانہ رپورٹ میں شامل کیا گیا ہے، جس کے ساتھ اس پر قانونی آڈیٹرز کی جائزہ رپورٹ بھی شامل ہے۔ تعمیل کے بیان کی بورڈ آف ڈائریکٹرز نے منظوری دے دی ہے۔

اظہار تشکر

بورڈ کمپنی کے ملازمین، افسران، مینکریز، مشیران، سپلائرز اور دیگر متعلقہ شراکت داروں کی جانب سے پورے سال کے دوران مسلسل محنت، تعاون اور حمایت پر دلی تشکر کا اظہار کرتا ہے۔ ان تمام افراد کی مشترکہ کوششوں نے سال کے دوران کمپنی کی ترقی میں نمایاں کردار ادا کیا ہے۔

بورڈ تمام معزز اسٹیک ہولڈرز کا ان کے مسلسل اعتماد اور تعاون پر بھی تہ دل سے شکریہ ادا کرتا ہے اور مستقبل کے برسوں میں بھی ان کے قیمتی تعاون کا منتظر ہے۔

بورڈ کی جانب سے



خرم جاوید

چیف ایگزیکٹو آفیسر / ڈائریکٹر



مرزا جاوید اقبال

چیئرمین / ڈائریکٹر

لاہور: 11 ستمبر، 2026

خام مال کی سوریسنگ کا خدشہ

قیمتوں میں ناموافق اتار چڑھاؤ یا خام مال کی عدم دستیابی پیداوار کے عمل کو متاثر کر سکتی ہے۔ تاہم، ہمارے پاس ایک تجربہ کار پروکیورمنٹ ٹیم موجود ہے جو پیداوار کے لیے درکار خام مال کے حصول میں مکمل مہارت رکھتی ہے۔

پلانٹ آپریشن خدشہ

کمپنی کو آپریشنل خدشات کا سامنا ہو سکتا ہے، جن میں آلات کی خرابی، غیر منصوبہ بند بندش، پاور پلانٹ کی کارکردگی اور استعداد سے متعلق مسائل، اور دیگر آپریشنل ہنگامی صورتحال شامل ہیں، جو پاور پلانٹ کی دستیابی اور قابل اعتماد کارکردگی کو متاثر کر سکتی ہیں۔ ان خدشات کو کم کرنے کے لیے، کمپنی نے پاور پلانٹ کی آپریشن اور دیکھ بھال کے لیے تجربہ کار تکنیکی اور آپریشنل ماہرین کی خدمات حاصل کی ہیں۔ محفوظ، قابل اعتماد اور موثر آپریشنز کو یقینی بنانے کے لیے پیشگی اور مقررہ شیڈول کے مطابق دیکھ بھال کے پروگرام، آپریٹنگ طریقہ کار اور مسلسل نگرانی کے نظام نافذ کیے گئے ہیں۔ مزید برآں، پاور پلانٹ کو آپریشنل خدشات اور دیگر قابل اطلاق ہنگامی صورتحال کے خلاف مناسب طور پر بیمہ شدہ رکھا گیا ہے، جس سے غیر متوقع واقعات کے نتیجے میں ممکنہ مالی نقصان کے اثرات کو کم کرنے میں مدد ملتی ہے۔

قوانین اور ماحولیاتی ضوابط

کمپنی مختلف حکومتی قوانین و ضوابط کے تحت کام کرتی ہے جن کی مکمل اور سختی سے پابندی کرنا ضروری ہے۔ اس ضمن میں کسی بھی قسم کی خلاف ورزی کے سنگین نتائج برآمد ہو سکتے ہیں۔ کمپنی نے متعلقہ شعبہ جات کے ماہر اور پیشہ ور افراد کو ملازمت پر کھربھا ہوا ہے تاکہ کمپنی پر لاگو تمام قوانین اور ضوابط کی مؤثر، مکمل اور سختی سے پابندی کو یقینی بنایا جاسکے۔

سسٹیمز سے متعلق خطرات

کمپنی کو سسٹیمز سے متعلق مختلف خطرات درپیش ہیں جن میں ریگولیٹری تبدیلیاں، ماحولیاتی تبدیلی کے اخراجات، اسٹیک ہولڈرز کی توقعات میں تبدیلیاں، اور سماجی یا گورننس کی کمزوری سے پیدا ہونے والے شہرت کے خطرات شامل ہیں۔ ناکامی سے آپریشنل تسلسل اور سرمایہ کاروں کے اعتماد پر اثر پڑ سکتا ہے۔ ہم حفاظت کے معیار بلند کرنے، کاربن کمی کے اقدامات تیز کرنے، اور ورک فورس کو بااختیار بنانے کے لیے پرعزم ہیں۔ کمیونٹی اور سپلائرز کے ساتھ مسلسل تعاون اور جدت کے ذریعے ہم ماحول کے ساتھ ہم آہنگ اور پائیدار طریقے سے کام کرنے کی کوشش کر رہے ہیں۔

کمپنی کو درپیش غیر یقینی صورتحال

کمپنی بنیادی طور پر درج ذیل غیر یقینی صورتحال سے متاثر ہے:

- سیاسی غیر یقینی صورتحال
- معاشی اور عملیاتی غیر یقینی صورتحال
- شرح سود میں اتار چڑھاؤ
- کرنسی کی قدر میں کمی
- خام مال کی قیمتوں میں اتار چڑھاؤ

سسٹیمز سے متعلق خطرات اور مواقع سے نمٹنے میں بورڈ آف ڈائریکٹرز اور اس کے اراکین کا کردار

بورڈ کمپنی کے اندر سسٹیمز سے متعلق خدشات اور مواقع کی حکمرانی کا ذمہ دار ہے، جس میں ماحولیاتی، سماجی اور حکمرانی سے متعلق امور بھی شامل ہیں۔ بورڈ کمپنی کی سسٹیمز کی حکمت عملی، ترجیحات اور اہداف مقرر کرتا ہے تاکہ طویل مدتی کارپوریٹ قدر پیدا کی جاسکے۔

بورڈ تنوع، مساوات اور شمولیت (DE&I) کو فروغ دینے کے لیے پالیسیاں وضع کرنے کا بھی ذمہ دار ہے، تاکہ صنفی مرکزی دھارے میں شمولیت، صنفی مساوات اور کمپنی کے بورڈ، انتظامیہ اور افرادی قوت میں خواتین کی شرکت کی حوصلہ افزائی کی جاسکے۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے 31 دسمبر 2024 کو جاری کردہ ہدایت کے مطابق، IFRS S1 سسٹیمز سے متعلق مالی معلومات کے افشاء کے عمومی تقاضے اور IFRS S2 موسمیاتی تبدیلی سے متعلق افشاء کا اطلاق یکم جولائی 2026 سے شروع ہونے والے سالانہ ادوار سے ہوگا۔

سسٹیمز

ہم ماحولیاتی تحفظ، سماجی ذمہ داری اور مضبوط طرز حکمرانی پر مبنی جامع پائیداری کے طریقے کار کے لیے پرعزم ہیں۔ ہم کام کی جگہ پر حفاظت اور ملازمین کی فلاح و بہبود کو مزید بہتر بنانے کے لیے بھی پرعزم ہیں۔ ماحولیاتی حوالے سے، ہم ایسی ٹیکنالوجیز اختیار کر رہے ہیں جو اخراج اور فضلہ کو کم سے کم کرنے میں معاون ثابت ہوں۔ اخلاقی طرز عمل کی پالیسیوں، تعمیری تعمیلی نظام اور ESG نگرانی کے ذریعے طرز حکمرانی کے طریقہ کار کو مزید مضبوط بنایا جا رہا ہے، تاکہ ذمہ دارانہ انداز میں کاروباری امور انجام دیے جائیں اور تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کی جاسکے۔

تنوع، مساوات اور شمولیت (DE&I)

DE&I کا فروغ کمپنی کی ایک اہم ترجیح ہے اور یہ اس کے پائیدار اور اخلاقی کاروباری طریقے کار کا ایک لازمی حصہ ہے۔ کمپنی میں ایک جامع DE&I حکمت عملی موجود ہے جس میں واضح اور قابل پیمائش اہداف مقرر کیے جائیں گے، جن کا مقصد تمام سطحوں پر صنفی اور نسلی تنوع اور شمولیت میں اضافہ

- (a) کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارہ جات، اسکے معاملات، اسکی کاروباری سرگرمیوں کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- (b) کمپنی نے اپنے اکائٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- (c) ماسوائے مالیاتی گوشوارہ جات میں منسلک بیانات کے، مالیاتی گوشوارہ جات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کے متواتر پیروی کی گئی ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمند انداز پر مبنی ہیں۔
- (d) مالیاتی گوشوارہ جات کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) کی، جہاں تک پاکستان میں قابل اطلاق ہیں، پیروی کی گئی ہے اور ان سے کسی بھی قسم کے انحراف (اگر کوئی ہو) کو مناسب طریقے سے بیان کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔
- (e) انٹرنل کنٹرول کا نظام، بشمول مالیاتی کنٹرولز، اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔
- (f) کمپنی کی بطور جاری کاروبار (Going Concern) اپنی سرگرمیاں جاری رکھنے کی صلاحیت کے حوالے سے کسی قسم کا کوئی شبہ موجود نہیں۔
- (g) کمپنی کوئی گریجویٹ اسکیم نہیں چلاتی۔
- (h) کمپنی نے کسی قرض کی ادائیگی میں ڈیفالٹ نہیں کیا اور مستقبل میں بھی ڈیفالٹ ہونے کا امکان نہیں ہے۔
- (i) کمپنی اپنے ملازمین کی حفاظت اور صحت کو ترجیح دیتی ہے۔ مناسب طبی کورٹن فراہم کرتی ہے اور ملازمین کی باقاعدہ طبی جانچ کرواتی ہے۔
- (j) لسٹنگ ریگولیشنز میں بیان کردہ بہترین کارپوریٹ گورننس کے عملی اصولوں سے کوئی اہم انحراف نہیں کیا گیا ہے۔
- (k) مناسب وسل بلور (Whistleblower) تحفظ کا نظام موجود ہے۔

ہم نے مندرجہ ذیل معلومات علیحدہ سے اس رپورٹ یا مالیاتی گوشوارہ جات میں، جہاں موزوں ہوں، شامل کر دی ہے:

- (a) مالی سال اور اس کے اختتام اور ان مالیاتی گوشوارہ جات کی تاریخ کے دوران اہم تبدیلیاں اور معاہدہ جات کی تفصیلات۔
- (b) کمپنی کے گزشتہ سال کے نتائج سے اہم انحراف اور انحرافات کی وجوہات۔
- (c) گزشتہ چھ سالوں کا مالیاتی ڈیٹا۔
- (d) اہم منصوبے، فیصلے، مستقبل کے امکانات، کمپنی گرد خطرات اور غیر یقینی صورتحال کی تفصیلات۔

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز، میسرز منیف ضیاء الدین اینڈ کمپنی، نے 30 جون 2026 کو ختم ہونے والے سال کے لیے اپنا آڈٹ مکمل کر لیا ہے اور غیر ترمیم شدہ رپورٹ جاری کی ہے۔ آڈیٹرز آئندہ ہونے والے سالانہ اجلاس میں ریٹائر ہو جائے گے، اور اہلیت کی بنیاد پر انہوں نے خود کو 30 جون 2027 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے اپنے آپ کو پیش کیا ہے۔ بورڈ نے آڈٹ کمیٹی کی تجویز پر، میسرز منیف ضیاء الدین اینڈ کمپنی، کی آنے والے سال کے لیے بطور آڈیٹر تعیناتی کی سفارش کی ہے، جو کہ آنے والے سالانہ اجلاس میں مہران کی منظوری سے مشروط ہے۔

رسک مینجمنٹ کا فریم ورک

بورڈ کمپنی کو لاحق خطرات کی مینجمنٹ فریم ورک کے قیام اور نگرانی کے لیے مجموعی طور پر ذمہ دار ہے بورڈ رسک مینجمنٹ پالیسیز کی تخلیق اور نگرانی کا بھی ذمہ دار ہے۔ اگرچہ خطرات متعدد ہو سکتے ہیں، لیکن کمپنی کو درپیش اہم خطرات اور ان کے جوابی اقدامات درج ذیل ہیں۔

سیاسی خدشہ

سیاسی عدم یقینی اور عدم استحکام کاروبار اور اس کے منافع کو متاثر کرتے ہیں۔ ملک کی سیاسی صورتحال، بشمول حکومت، ضوابط اور کاروباری حکمت عملیوں کی گہری اور زبردست نگرانی کی جاتی ہے تاکہ ہر وقت فیصلے کیے جاسکیں۔

معاشی خدشہ

ملک کی معاشی صورتحال عام طور پر کاروبار کو متاثر کرتی ہے۔ اجناس کی قیمتوں میں اضافہ، بلند شرح سود، مہنگائی میں اضافہ، بلند شرح تبادلہ، ٹیکسیشن اور کم اقتصادی ترقی کمپنی کے کاروبار پر اثر ڈال سکتی ہے۔ معاشی حالات کی مناسب نگرانی کی جاتی ہے تاکہ ہر وقت فیصلے کیے جاسکیں۔ شرح سود کے اثرات کو ورکنگ کپیٹل کے دورانیے کو موثر طریقے سے کنٹرول کر کے منظم کیا جاتا ہے۔

کریڈٹ خدشہ

بینکوں کی جانب سے ادائیگیوں میں عدم ادائیگی کا خطرہ موجود ہو سکتا ہے۔ اس خطرے کو کم کرنے کے لیے کمپنی اپنے فنڈز ایسے بینکوں میں رکھتی ہے، جن کی کریڈٹ ریٹنگ تسلی بخش ہے۔

لیکویڈیٹی کا رسک

واجبات کی ادائیگی کے لیے ناکافی نقد رقم دستیاب ہونے کے نتیجے میں کمپنی کو لیکویڈیٹی کے مسئلے کا سامنا ہو سکتا ہے۔ اس خطرے سے نمٹنے کے لیے کمپنی ایک موثر اور پیشگی کیش مینجمنٹ کا نظام اپناتے ہوئے ہے۔ کسی ممکنہ لیکویڈیٹی کی کوپورا کرنے کے لیے بینکوں سے منظور شدہ کریڈٹ سہولیات بھی دستیاب ہیں۔

مالی سال کے دوران کمیٹی کا ایک اجلاس منعقد ہوا۔

ڈائریکٹرز کا معاوضہ

آف ڈائریکٹرز ایک حد مقرر کرے گا۔ بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ حد کے مطابق، وہ ملازمین جو سالانہ بنیادی تنخواہ (Basic Salary) 4.000 ملین روپے یا اس سے زیادہ لے رہے ہیں، انہیں ایگزیکٹوز شئیر کیا جاتا ہے۔

متعلقہ پارٹی سے لین دین

لٹیکینیئر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور دیگر قابل اطلاق قوانین اور ضوابط کی تکمیل میں، متعلقہ پارٹی کے لین دین کی تفصیل آڈٹ کمیٹی کے سامنے پیش کی جاتی ہیں اور آڈٹ کمیٹی خواہشات پر ان تفصیلات کو بورڈ کے سامنے جائزہ لینے اور منظوری کے لیے پیش کیا جاتا ہے۔ مذکورہ بالا کمیٹی ایکٹ، 2017 کے تحت تمام انتظامات اور معاہدہ جات کی تفصیلات بمعہ ان انتظامات اور معاہدہ جات میں شامل ہونے کی وجہ اور تفصیلات مالیاتی گوشوارہ جات کے نوٹس میں بیان کر دی گئی ہیں۔

متعلقہ پارٹی کے ساتھ لین دین کی پالیسی

بورڈ آف ڈائریکٹرز نے متعلقہ پارٹیز سے لین دین کی منظوری دی ہوئی ہے، جس کے تحت کمپنی عام کاروبار کے دوران متعلقہ پارٹیز سے لین دین آرم لینکٹھ کی بنیاد پر کرے گی۔ اصطلاح "آرم لینکٹھ" کے مطابق کاروبار کی شرائط بالکل ویسی ہی ہوگی جو دو غیر متعلقہ کاروباری افراد کے درمیان عام کاروبار میں ہوتی ہے۔ اس پالیسی کے تحت تمام متعلقہ پارٹیز کو لین دین کے لیے بورڈ کی منظوری درکار ہوگی۔ تاہم، جہاں ڈائریکٹرز کی اکثریت دلچسپی رکھتی ہو، اسے شیئر ہولڈرز کے ذریعے اجلاس عام میں منظور کیا جائے گا۔

قومی خزانے میں ادا گیایاں

سال کے دوران، کمپنی نے تقریباً 580.531 ملین روپے کی رقم قومی خزانے میں مختلف ٹیکسز، محصولات، سیس، لیوی وغیرہ کی شکل میں جمع کروائی۔

فنانشل اور کارپوریٹ رپورٹنگ فریم ورک

کمپنی یہ عزم رکھتی ہے کہ وہ تمام قانونی اور اخلاقی تقاضوں کو پورا کرے گی اور جہاں ممکن ہو، ان سے آگے بڑھنے کی کوشش کرے گی اور کاروبار کو اعلیٰ ترین پیشہ ورانہ اور اخلاقی معیارات اور طریقوں کے مطابق انجام دے گی۔ کمپنی اپنے فرائض سے مکمل آگاہ ہے جیسا کہ کمیٹی ایکٹ، 2017 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کردہ کوڈ آف کارپوریٹ گورننس میں متعین ہے۔ مندرجہ ذیل تبصرے کمپنی کے کارپوریٹ گورننس کے اعلیٰ معیار اور مسلسل بہتری کے عزم کا اعتراف کرتے ہیں:

بورڈ ممبران کا معاوضہ بورڈ کے ذریعے منظور کیا جاتا ہے۔ تاہم، یہ یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کے فیصلے میں شامل نہ ہوں۔ نان ایگزیکٹو ڈائریکٹرز اور خود مختار ڈائریکٹرز کو صرف اجلاس میں شرکت کی فیس دی جاتی ہے۔ ڈائریکٹرز اور سی ای او کو ادا ہونے والے معاوضے کے پیکیج کی مجموعی رقم کے بارے میں معلومات کیلئے، براہ مہربانی مالیاتی گوشوارہ جات کا متعلقہ نوٹس ملاحظہ کریں۔

ڈائریکٹرز ای ویلویشن

بورڈ کی کارکردگی کا جائزہ لینے کے لیے خود احتسابی کی بنیاد پر ایک مؤثر نظام وضع کیا گیا ہے۔ بورڈ آف ڈائریکٹرز نے مؤثر گورننس کو یقینی بنانے کے لیے قیمتی رہنمائی فراہم کرنا جاری رکھا۔

ڈائریکٹرز کی آرٹیشن اور تربیتی پروگرام

تمام ڈائریکٹرز نے مجاز اداروں سے ڈائریکٹرز ٹریننگ پروگرام کی مکمل کر لی ہے۔

مزید برآں، نئے ڈائریکٹرز کو ان کے فرائض اور ذمہ داریوں سے آگاہ کرنے کے لیے مناسب انتظامات کیے جاتے ہیں۔ ایک باقاعدہ تعارفی پروگرام میں بنیادی طور پر درج ذیل امور شامل ہوتے ہیں جیسا کہ کمپنی کے وٹن اور حکمت عملی، کمپنی کی بنیادی صلاحیتیں، تنظیمی ڈھانچہ، کمپنی کے قوانین کے مطابق ڈائریکٹر کے کردار اور ذمہ داریاں، بشمول کمیٹیز ایکٹ، کارپوریٹ گورننس کا ضابطہ اور پاکستان میں لاگو دیگر ریگولیٹری قوانین سے متعلق بریفنگ دینا۔

مناسب انٹرنل کنٹرولز

بورڈ نے اندرونی مالیاتی کنٹرولز کے مؤثر اور کارگر نظام قائم کیے ہیں۔ ان کنٹرولز کے نفاذ کی باقاعدگی سے نگرانی ایک آزاد اندرونی آڈٹ فنکشن کے ذریعے کی جاتی ہے جو براہ راست آڈٹ کمیٹی کو رپورٹ دیتا ہے۔ آڈٹ کمیٹی وقتاً فوقتاً کمپنی کے اندرونی کنٹرولز کے فریم ورک اور مالی بیانات کی موثریت اور کفایت کا جائزہ لیتی ہے۔

شیئر ہولڈنگ کی ترتیب

شیئر ہولڈنگ کی ترتیب ساتھ منسلک ہیں۔

کمپنی کے شیئرز میں لین دین/تجارت

مالی سال 2026 کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں کے ذریعے (اگر کوئی ہوں) کمپنی کے شیئرز کی تمام تجارتوں کا بیان سالانہ رپورٹ کے ساتھ منسلک شیئر ہولڈنگ کے ترتیب میں موجود ہے۔ ایگزیکٹوز میں چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، ہیڈ آف انٹرنل آڈٹ اور کمپنی سیکریٹری اور کچھ دیگر ملازمین شامل ہیں، جن کے لیے بورڈ

کاروبار کی نوعیت میں تبدیلیاں

سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں ہوئی، اور نہ ہی ایسی کوئی کمپنیاں تھیں جن میں کمپنی کی دلچسپی ہو، ماسوائے اگر کسی اور جگہ بیان کیا گیا ہو۔

مستقبل کا منظر نامہ، اہم رجحانات اور عوامل جو کہ مستقبل کی ترقی، کارکردگی اور کمپنی کے کاروبار کی پوزیشن کو متاثر کر سکتے ہیں۔

کمپنی کی مستقبل کی کارکردگی کا بنیادی انحصار اس کے بائرنڈ پاور پلانٹ کے مستحکم آپریشن اور ایندھن کی لاگت و دستیابی پر ہوگا۔ مالی سال کے اختتام کے بعد 31.5 میگا واٹ کی مرکزی ٹربائن نے تجارتی آپریشنز کا آغاز کر دیا ہے۔ بورڈ کو توقع ہے کہ اس سے کمپنی کے لیے آمدنی کا ایک مستقل ذریعہ قائم ہوگا، تاہم اس کا انحصار پلانٹ کی دستیابی اور بجلی کی طلب پر ہوگا۔ ایندھن کی قیمتیں، شرح مبادلہ، مالیاتی اخراجات اور توانائی و ماحولیاتی ضوابط میں تبدیلیاں بھی کمپنی کے منافع اور مالی پوزیشن پر اثر انداز ہوں گی۔ کمپنی اپنی توجہ قابل اعتماد بجلی کی پیداوار، ایندھن کی مؤثر خریداری اور مالیاتی ذمہ داریوں کے محتاط انتظام پر مرکوز رکھے گی۔

بورڈ کی تشکیل

بورڈ میں سات ارکان شامل ہیں۔ مالی سال کے اختتام تک بورڈ کی تشکیل درج ذیل تھی:

ڈائریکٹرز کی کل تعداد	
a - مرد	6
b - خاتون	1

تشکیل:

خود مختار ڈائریکٹرز	2*
نان ایگزیکٹو ڈائریکٹرز	4
ایگزیکٹو ڈائریکٹرز	1
خاتون ڈائریکٹر	1

* خود مختار ڈائریکٹرز کے سلسلے میں، کمپنی نے فریکشن کو اوپر کی طرف راؤنڈ نہیں کیا، کیونکہ بورڈ موجودہ تشکیل کو مناسب سمجھتا ہے۔

ان افراد کے نام جو مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹرز تھے

ذیل میں ان افراد کے نام دیے جا رہے ہیں جو مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹرز رہے:

نمبر شمار	ڈائریکٹرز کا نام	عہدہ
1	جناب مرزا جاوید اقبال	چیئر مین / نان ایگزیکٹو ڈائریکٹر
2	جناب حبیب اقبال	نان ایگزیکٹو ڈائریکٹر
3	جناب خرم جاوید	سی ای او / ایگزیکٹو ڈائریکٹر
4	جناب عبدالرحمن قریشی	نان ایگزیکٹو ڈائریکٹر
5	جناب محمد متین جمشید	نان ایگزیکٹو ڈائریکٹر
6	جناب فہد جاوید	نان ایگزیکٹو ڈائریکٹر
7	محترمہ جہاں آرا سجاد احمد	خود مختار / نان ایگزیکٹو ڈائریکٹر
8	جناب محمد اسلم بھٹی	خود مختار / نان ایگزیکٹو ڈائریکٹر

مالی سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ سال کے دوران پاکستان سے باہر کوئی اجلاس منعقد نہیں ہوا۔ غیر حاضری (اگر کوئی تھی) تو باقاعدہ طور پر رخصت لی گئی۔

سال کے دوران، جناب عبدالرحمن قریشی کو یکم نومبر 2025 سے جناب فہد جاوید کی جگہ نان ایگزیکٹو ڈائریکٹر مقرر کیا گیا، جو 30 اکتوبر 2025 کو کمپنی کے ڈائریکٹر کے عہدے سے مستفی ہو گئے تھے۔

اس کے علاوہ، بعض فوری نوعیت کے معاملات ڈائریکٹرز کی جانب سے سرکلیشن کے ذریعے قراردادیں منظور کر کے نمٹائے جاتے ہیں۔ زیر جائزہ سال کے دوران اس نوعیت کا صرف ایک معاملہ پیش آیا۔

بورڈ کمیٹیز کے اراکین کے نام

آڈٹ کمیٹی

آڈٹ کمیٹی کے اراکین کے نام درج ذیل ہیں:

نمبر شمار	ڈائریکٹرز کا نام	عہدہ
1	جناب محمد اسلم بھٹی	چیئر مین / خود مختار ڈائریکٹر
2	جناب مرزا جاوید اقبال	ممبر / نان ایگزیکٹو ڈائریکٹر
3	جناب محمد متین جمشید	ممبر / نان ایگزیکٹو ڈائریکٹر

مالی سال کے دوران کمیٹی کے پانچ اجلاس منعقد ہوئے۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے اراکین کے نام درج ذیل ہیں:

نمبر شمار	ڈائریکٹرز کا نام	عہدہ
1	جناب محمد اسلم بھٹی	چیئر مین / خود مختار ڈائریکٹر
2	جناب مرزا جاوید اقبال	ممبر / نان ایگزیکٹو ڈائریکٹر
3	جناب حبیب اقبال	ممبر / نان ایگزیکٹو ڈائریکٹر

شیئر ہولڈرز کیلئے ڈائریکٹرز کی رپورٹ

مغل انرجی لمیٹڈ کے ڈائریکٹرز 30 جون 2026 کو اختتام پذیر ہونے والے مالی سال کے لیے ڈائریکٹرز کی رپورٹ، بمعہ آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

بنیادی سرگرمی اور ڈھانچہ

کمپنی کی بنیادی سرگرمی بجلی کی پیداوار اور سپلائی ہے۔ کمپنی، مغل آئرن اینڈ اسٹیل انڈسٹریز لمیٹڈ (ہولڈنگ کمپنی) کی ذیلی کمپنی ہے۔

پاکستان کی معیشت

مالی سال 2026 کے دوران پاکستان کی معیشت استحکام کی جانب پیش رفت سے بتدریج بحالی کی طرف گامزن رہی، تاہم اس سال کے دوران دو نمایاں مراحل دیکھنے میں آئے۔ فروری 2026 تک کے عرصے میں بہتر ہوتی ہوئی معاشی استحکام کی صورتحال نے کاروباری اعتماد اور معاشی سرگرمیوں کو سہارا دیا۔ بیرونی اور مالیاتی شعبوں کی صورتحال میں بھی بہتری آئی، جس کے نتیجے میں کاروباری سرگرمیوں کے لیے نسبتاً زیادہ مستحکم ماحول پیدا ہوا۔ تاہم، سال کے دوسرے حصے میں مشرق وسطیٰ کے تنازع کے باعث مہنگائی اور بیرونی کھاتوں سے متعلق دباؤ دوبارہ بڑھ گیا، جبکہ کاروباری اداروں اور سرمایہ کاروں کے لیے غیر یقینی صورتحال میں بھی اضافہ ہوا۔ آگے جاتے ہوئے، پائیدار معاشی بحالی کا انحصار مسلسل ساختی اصلاحات، سرمایہ کاری کے لیے بہتر حالات پیدا کرنے اور بدلتے ہوئے جغرافیائی سیاسی اور بیرونی دباؤ کا مؤثر طور پر مقابلہ کرنے کی معیشت کی صلاحیت پر ہوگا۔

کاروباری، مالیاتی اور آپریشنل جائزہ

کمپنی کے 30 جون 2026 کو ختم ہونے والے سال کی مالیاتی جھلکیاں مندرجہ ذیل ہیں:

30 جون کو ختم ہونے والا سال		
2025	2026	روپے (ملین میں)

21.280	9.132	سالانہ منافع / (خسارہ)
0.11	0.05	فی شخص آمدنی / (خسارہ) - بیسک (روپے میں)
		فی شخص کوئی ڈائی لیونڈ آمدنی نہیں تھی۔

سال کے دوران منافع بنیادی طور پر کرایہ کی آمدنی اور پراپرٹی ڈویلپمنٹ سے متعلقہ Notional Income کے باعث ہوا۔ پراپرٹی، پلانٹ اور آلات میں اضافہ ہائپرڈ پاور پلانٹ کے منصوبے پر ہونے والے سرمایہ جاتی اخراجات کی عکاسی کرتا ہے، جبکہ سولر پلانٹ سال کے دوران بدستور لیز پر دیا گیا رہا۔ انونٹری میں اضافہ پاور پلانٹ کے لیے درآمد شدہ کوئلے کی خریداری کے باعث ہوا۔ اسی طرح لیٹر آف کریڈٹ کے عوض رکھے گئے مارجنز اور اضافی کوئلے کی فروخت کے نتیجے میں قابلے وصول رقم کے باعث ہائپرڈ پاورز اور دیگر وصولیوں میں اضافہ ہوا۔ مذکورہ قابل وصول رقم بعد ازاں وصول کر لی گئی۔

ہولڈنگ کمپنی کو قابل ادائیگی کل طویل مدتی قرض میں سے 1,858.333 ملین روپے سال کے دوران قبل از وقت ادا کر دیے گئے۔ 2,500.000 ملین روپے یونائیٹڈ بینک لمیٹڈ سے 5 سال کی مدت کے لیے حاصل کیے گئے۔ مختصر مدتی قرضہ جات میں اضافہ بینکوں کی جانب سے کوئلے کی درآمد کے لیے فراہم کردہ فنڈ ڈائریکٹرز کی وجہ سے پیش آیا۔ 30 جون 2026 کو کمپنی کی خالص مالیت 4,045.043 ملین روپے رہی، جبکہ 30 جون 2025 کو یہ 3,435.206 ملین روپے تھی۔ 30 جون 2026 کو فی حصص بریک آپ ویلیو 18.67 روپے رہی، جبکہ 30 جون 2025 کو یہ 15.85 روپے تھی۔ آپریشنل لحاظ سے 36.50 میگا واٹ ہائپرڈ پاور پلانٹ منصوبے کی تنصیب کے حوالے سے نمایاں پیش رفت ہوئی۔

کمپنی کے پاس کیش مجنٹ کا مؤثر نظام موجود ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔ تمام ممکنہ Contingencies اور Commitments کی تفصیلات مالیاتی بیانات کے متعلقہ نوٹس میں مکمل طور پر ظاہر کی گئی ہیں۔

کاروباری کارکردگی کا شعبہ وار جائزہ

کمپنی کی سرگرمیاں ایک واحد رپورٹ ہونے والے شعبے کے طور پر رپورٹ کی گئی ہیں۔ شعبہ وار جائزے کے بارے میں معلومات مالی بیانات کے متعلقہ نوٹس میں دی گئی ہیں۔

بعد ازاں واقعات / اہم تبدیلیاں

ذیلی کمپنی نے اپنے کپڑو ہائپرڈ پاور پلانٹ منصوبے کی مرکزی 31.50 میگا واٹ ٹربائن کو کامیابی سے نصب اور فعال (Commission) کر لیا اور تمام ضروری ٹیسٹنگ اور کمیشننگ کی سرگرمیوں کی کامیاب تکمیل کے بعد کمرشل آپریشن کی تاریخ (COD) حاصل کر لی۔ کمپنی 31 اگست 2026 سے کمرشل بنگ کے لیے تیار ہے۔

سوائے اس کے جو بیان شدہ ہیں، کمپنی کے مالی سال کے اختتام سے لیکر اس رپورٹ کی تاریخ تک سال کے دوران کوئی اہم تبدیلیاں اور معاہدہ جات نہیں ہوئے۔

ڈیویڈنڈز اور تصرفات

چونکہ کمپنی ابھی اپنے کاروباری آغاز سے پہلے کے مرحلے میں ہیں، لہذا کسی ڈیویڈنڈ کا اعلان نہیں کیا گیا اور نہ ہی کوئی اور تصرفات کیے گئے ہیں۔

سال کے دوران کمپنی کی بنیادی سرگرمیاں اور کاروباری ترقی اور کارکردگی کمپنی کے کاروباری ترقی اور کارکردگی سے متعلق تفصیلات ڈائریکٹرز کی رپورٹ کے متعلقہ شعبوں میں فراہم کی گئی ہیں۔

چیئر مین کی جائزہ رپورٹ

میں کمپنی کے 30 جون 2026 کو اختتام پذیر ہونے والے سال کے لیے چیئر مین کی جانب سے جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

کمپنی کی نگرانی ایک متنوع اور باصلاحیت بورڈ آف ڈائریکٹرز کے ذریعے کی جاتی ہے، جو کہ بنیادی اہلیت، تنوع، مطلوبہ مہارت، علم اور تجربے کا مناسب امتزاج رکھنے والے اراکین پر مشتمل ہے۔ ان اراکان میں اس کے علاوہ ایسے دیگر اوصاف بھی شامل ہیں جو کمپنی کے کاروباری امور کے تناظر میں موزوں اور متعلقہ تصور کیے جاتے ہیں۔

بورڈ نے پورے سال کے دوران، کمپنی کے وژن، مشن اور طویل مدتی مقاصد کے مطابق مؤثر قیادت اور نگرانی فراہم کی، کمپنی کے امور کے موثر انتظام کو یقینی بنایا، اسٹیک ہولڈرز کے مفادات کا تحفظ کیا اور اعلیٰ معیار کی گورننس، جوابدہی اور شفافیت کو برقرار رکھا۔ جہاں بورڈ نے کارپوریٹ گورننس کے طریقہ کار کے نفاذ اور اس کی Effectiveness کی بھی نگرانی جاری رکھی، وہی اس کے اراکین اپنی ذمہ داریوں کی ادائیگی میں اعلیٰ اخلاقی معیار برقرار رکھنے کے لیے پُر عزم رہے۔

سال کے دوران کارکردگی کے مجموعی جائزے کی بنیاد پر، بورڈ نے اپنی ذمہ داریاں اطمینان بخش انداز میں انجام دیں اور کمپنی کو مناسب اسٹریٹجک سمت اور موثر نگرانی فراہم کی۔ بورڈ اور اس کی کمیٹیوں نے ضرورت کے مطابق اجلاس منعقد کیے اور اپنے متعلقہ Terms of Reference کے مطابق اپنی ذمہ داریاں کو انجام دینا جاری رکھا۔ بورڈ پورے سال کمپنی کی اسٹریٹجک ترجیحات، آپریشنل پیش رفت، مالی امور اور اہم خطرات کا جائزہ لینے میں فعال طور پر مصروف رہا۔

بورڈ کے چیئر مین اور چیف ایگزیکٹو آفیسر کے عہدے الگ الگ افراد کے پاس ہیں، جس سے دونوں کے کردار اور ذمہ داریوں کی واضح تقسیم یقینی بنائی جاتی ہے۔ چیئر مین بورڈ کی قیادت کرنے اور اس کے اجلاسوں کی موثر کارروائی کو یقینی بنانے کا ذمہ دار ہے، جبکہ چیف ایگزیکٹو آفیسر، جو ایک ایگزیکٹو ڈائریکٹر بھی ہیں، کمپنی کی انتظامیہ کی قیادت کرنے اور بورڈ کی جانب سے منظور کردہ حکمت عملی اور مقاصد پر عمل درآمد کے ذمہ دار ہیں۔ انتظامیہ کمپنی کے روزمرہ امور کو بورڈ کی جانب سے مقرر کردہ حکمت عملی اور سمت کے مطابق چلانے کی ذمہ دار ہے۔

سال کے دوران، بورڈ نے کمپنی کو اس کے اسٹریٹجک مقاصد کے حصول کی جانب مؤثر رہنمائی فراہم کرنے میں اہم کردار ادا کیا، بالخصوص کمپنی کے بجلی پیدا کرنے والے منصوبے کی تکمیل اور اسے فعال بنانے کے حوالے سے موثر نگرانی کی۔ بورڈ نے منصوبے کی پیش رفت، اہم آپریشنل اور مالی امور، بنیادی خطرات اور ان سے نمٹنے کے لیے اختیار کیے گئے تدارکی اقدامات کا باقاعدگی سے جائزہ لیا۔ بورڈ نے توانائی کی پیداوار کے ذرائع میں تنوع اور ماحول کے حوالے سے ذمہ دارانہ طریقہ عمل پر بھی خصوصی توجہ مرکوز رکھی، جبکہ اس امر کو یقینی بنایا کہ کمپنی کمرشل آپریشنز کے آغاز کی جانب مسلسل پیش رفت کرتی رہے۔

مالی سال کے اختتام کے بعد، کمپنی نے اپنے کپلو ہارڈ منصوبے کی مرکزی 31.50 میگا واٹ ٹربائن کی کامیابی سے کمیشننگ مکمل کی اور تمام ضروری ٹیسٹنگ اور کمیشننگ سرگرمیوں کی کامیاب تکمیل کے بعد کمرشل آپریشن ڈیٹ حاصل کر لی۔ کمپنی 31 اگست 2026 سے کمرشل پلانٹ کے لیے مکمل طور پر تیار رہے۔

بورڈ نے کمپنی کی مالیاتی رپورٹنگ کی درستگی اور معیار، اکاؤنٹنگ پالیسیوں کی مناسب اطلاق، مالیاتی افکشافات کی شفافیت، کارپوریٹ منصوبوں اور اہداف، نیز مجموعی داخلی کنٹرول کے نظام کی مسلسل نگرانی کی۔ بورڈ نے کمپنی کو درپیش اہم خطرات اور ان کے تدارک کے لیے کیے گئے اقدامات کا بھی باقاعدگی سے جائزہ لیا۔ مطلوبہ داخلی کنٹرول کے ماحول اور قابل اطلاق کارپوریٹ گورننس کے تقاضوں کی تعمیل کو یقینی بنانے کے لیے ضروری نظام اور کنٹرول قائم ہیں۔

بورڈ نے ضابطہ اخلاق بھی مرتب کیا ہے، جس میں کمپنی بھر میں متوقع طریقہ عمل کے معیارات متعین کیے گئے ہیں، اور اسے پورے ادارے کو جاری کیا گیا ہے۔ بورڈ دیانت داری، جوابدہی اور ذمہ دارانہ کارپوریٹ طریقہ عمل کے فروغ کے لیے پُر عزم ہے۔

بورڈ کی جانب سے، میں کمپنی کی ایگزیکٹو مینجمنٹ ٹیم اور تمام ملازمین کی محنت، لگن اور عزم کو خراج تحسین پیش کرنا چاہوں گا۔ میں اپنے معزز شیئر ہولڈرز، قرض دہندگان، کاروباری شراکت داروں اور دیگر اسٹیک ہولڈرز کا بھی تہہ دل سے شکریہ ادا کرتا ہوں کہ انہوں نے ہم پر مسلسل اپنے اعتماد اور تعاون کا اظہار کیا۔

بورڈ موثر قیادت اور اسٹریٹجک نگرانی کے عزم پر قائم ہے، بالخصوص ایسے وقت میں جب کمپنی اپنے آپریشنل سرگرمیوں کے اگلے مرحلے میں داخل ہو رہی ہے۔ بورڈ تمام متعلقہ فریقین کے لیے پائیدار اور طویل مدتی قدر کے حصول کے لیے اپنی کوششیں جاری رکھے گا۔



مرزا جاوید اقبال

چیئر مین بورڈ

لاہور: 11 ستمبر 2026

03

FINANCIAL STATEMENTS

- Independent Auditor's Review Report to the Members
- Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019
- Independent Auditor's Report to the Members
- Statement of Financial Position
- Statement of Profit or Loss
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MUGHAL ENERGY LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Mughal Energy Limited** (the Company) for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

Muniff Ziauddin & Co

Muniff Ziauddin & Company
Chartered Accountants
(A member of BKR International)

Date: September 12, 2026
Lahore
UDIN: CR202610123enUXd7kxI

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE REGULATIONS)

Name of company: **Mughal Energy Limited**
Year ended: **June 30, 2026**

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

1. The total number of Directors are 7 as per the following;

a. Male	06	
b. Female	01	
2. The composition of Board is as follows:

a. Independent Directors	02	Mrs. Jahanara Sajjad Ahmad Mr. Muhammad Aslam Bhatti
b. Non-Executive Directors	04	Mr. Mirza Javed Iqbal Mr. Jamshed Iqbal Mr. Muhammad Mateen Jamshed Mr. Abdul Rehman Qureshi
c. Executive Directors	01	Mr. Khurram Javaid
d. Female Director	01	Mrs. Jahanara Sajjad Ahmad
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. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
8. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. All Directors of the Company have completed the Director's Training Program (DTP) certification from authorized institutions;
10. The Board approves the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below;

Audit Committee	Mr. Muhammad Aslam Bhatti – Chairman Mr. Mirza Javed Iqbal – Member Mr. Muhammad Mateen Jamshed – Member
HR and Remuneration Committee	Mr. Muhammad Aslam Bhatti – Chairman Mr. Mirza Javed Iqbal – Member Mr. Jamshed Iqbal – Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees were as per following;
- | | |
|-------------------------------|---------------|
| Audit Committee | Five meetings |
| HR and Remuneration Committee | One meeting |
15. The Board has set up an effective in-house internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
- In respect of independent directors, the Company has not rounded up the fraction as one, as the Board has determined the current composition adequate.
 - Two head of departments have completed Director's Training Program, whereas, there were no female executives during the year.
 - The requirement to disclose significant policies, terms of references of Board's Committees and key elements of Directors Remuneration policy on the website is non-mandatory in regulation no. 35, and thus the Company has not yet uploaded information in this respect on its website. The Company is however, considering placing these policies on its website in near future.
 - Currently, the Board has not constituted separate Nomination Committee, Risk Management Committee and Sustainability Committee, as their issues are deliberated in Board meetings.
 - The Board is responsible for setting the Company's sustainability (including diversity, equity and inclusion) strategies, priorities, and targets to create long term corporate value and for its periodic review and monitoring. Further, the Board is required to understand and address sustainability risks and opportunities, including climate-related risks and opportunities relevant to the Company. These matters are also required to be disclosed in the directors' report. In order to achieve its sustainability related obligations, the Board may establish a dedicated committee or assign additional responsibilities to an existing committee. Subsequent to the year end, Board has assigned additional responsibilities relating to sustainability to the Audit Committee. The Board has also established policy for DE&I to encourage gender mainstreaming, gender equality and the participation of women on the Board, management and workforce of the Company. Further, the Company is also in process of engaging a consultant for providing assistance to ensure compliance with the sustainability requirements.



Mirza Javed Iqbal
Chairman / Director
Lahore: September 11, 2026



Khurram Javaid
Chief Executive Officer /Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUGHAL ENERGY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Mughal Energy Limited** (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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.

Following are the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	Capital work-in-progress The Company is in the process of installing a 36.50 MW captive hybrid power plant, with significant costs recognized under capital work-in-progress (CWIP) as at the reporting date. The recognition, measurement, and classification of these expenditures involve judgment in determining whether costs meet the capitalization criteria under the applicable financial reporting framework. There is also a risk of incorrect allocation between CWIP and operating expenses or other asset categories, incorrect basis for adjustments made to the CWIP balance during the year, and the need to ensure appropriate disclosure in the financial statements.	Our audit procedures included, among others: - Obtaining a detailed schedule of capital work-in-progress (CWIP) and reconciling it with the general ledger. - Testing sample of expenditures to supporting documentation (invoices, contracts, payment records) to assess whether they met the capitalization criteria. - Obtaining explanation and supporting evidence for the adjustment recorded in the CWIP balance during the year, and corroborating management's basis for the adjustment. - Evaluating management's basis for classification and assessing whether costs were appropriately allocated between CWIP and other asset categories. - Reviewing the adequacy and completeness of related disclosures in the financial statements.
S. No.	Key audit matter	How the matter was addressed in our audit
2	Long-term financing The Company has various long-term financing facilities as detailed in note 16 to the financial statements.	Our audit procedures included, among others: Obtaining a detailed schedule of long-term financing facilities and reconciling it with the general ledger.

S. No.	Key audit matter	How the matter was addressed in our audit
	The recognition, measurement, and classification of these financing arrangements, including the initial recognition at fair value net of transaction costs, subsequent measurement at amortized cost using the effective interest method, and the accounting for assets held under common ownership through diminishing musharaka arrangements, involve judgment in determining whether the applicable recognition and measurement criteria under the financial reporting framework have been met. There is also a risk of incorrect classification between current and non-current portions, incorrect basis for the early partial repayment made to a related party, and the need to ensure appropriate disclosure of the terms, security, and related party nature of these financing arrangements in the financial statements.	• Obtaining and inspecting the financing agreements for each facility, including the diminishing musharaka arrangements, to confirm the terms, security, and repayment schedule. • Independently confirming outstanding loan balances directly with the respective banks and the holding company. • Testing the initial recognition at fair value, net of transaction costs, and recalculating the effective interest rate and the amortization charge recognized during the year. • Verifying the early partial repayment made to holding company from bank statements and assessing whether it was appropriately approved and disclosed as a related party transaction in accordance with IAS 24. • Evaluating management's basis for classification of the loans between current and non-current portions and reviewing the adequacy and completeness of related disclosures in the financial statements.

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

Management is responsible for other information. The other information comprises the information included in the Annual Report 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 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Muniff Ziauddin & Co

Muniff Ziauddin & Company
Chartered Accountants
(A member of BKR International)

Date: September 12, 2026
Lahore
UDIN: AR202610123WhLBbOIYi

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

Rupees	Note	2026	2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	9,231,255,504	6,466,457,989
Long-term security deposit		87,500	87,500
		9,231,343,004	6,466,545,489
CURRENT ASSETS			
Inventories	7	1,300,381,514	—
Deposits and other receivables	8	122,873,913	—
Due from the government	9	1,255,373,073	758,585,265
Cash and bank balances	10	105,410,607	14,760,779
		2,784,039,107	773,346,044
Total assets		12,015,382,111	7,239,891,533
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	11	2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	12	2,166,732,420	2,166,732,420
Share premium	13	116,365,179	116,365,179
Revaluation surplus on property, plant and equipment	14	1,664,879,125	1,064,174,125
Accumulated loss		(117,600,342)	(126,732,797)
Equity contribution / loan from Directors	15	214,666,792	214,666,792
		4,045,043,174	3,435,205,719
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing	16	3,906,668,479	3,270,934,316
CURRENT LIABILITIES			
Trade and other payables	17	157,604,286	163,943,132
Accrued profit / mark-up	18	54,161,576	24,881,794
Short-term borrowings	19	403,433,571	—
Short-term loans from Directors and their relatives - unsecured	20	3,127,545,844	264,508,448
Current portion of long-term financing	16	320,925,181	80,418,124
		4,063,670,458	533,751,498
Total liabilities		7,970,338,937	3,804,685,814
Total equity and liabilities		12,015,382,111	7,239,891,533

CONTINGENCIES AND COMMITMENTS

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



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

Rupees	Note	2026	2025
Revenue		—	—
Cost of revenue		—	—
Gross profit / (loss)		—	—
Administrative expenses	22	(50,291,791)	(25,823,187)
Other charges	23	(835,210)	(790,250)
Other income	24	80,582,355	8,107,954
Finance cost	25	(20,322,899)	(2,774,540)
		9,132,455	(21,280,023)
Profit / (loss) before taxation		9,132,455	(21,280,023)
Taxation	26	—	—
Profit / (loss) for the year		9,132,455	(21,280,023)
Earnings / (loss) per share – basic and diluted	27	0.05	(0.11)

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



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

Rupees	2026	2025
Profit / (loss) for the year	9,132,455	(21,280,023)
Other comprehensive income:		
Items that will not be subsequently reclassified to profit or loss:		
– Revaluation surplus on property, plant and equipment	600,705,000	–
Other comprehensive income for the year	600,705,000	–
Total comprehensive income / (loss) for the year	609,837,455	(21,280,023)

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



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

Rupees	Capital reserves			Revenue reserve	Equity contribution / loan from Directors	Total Equity
	Issued, subscribed and paid-up capital	Share premium	Revaluation surplus on property, plant and equipment	Accumulated loss		
BALANCE AS AT JUNE 30, 2024	2,166,732,420	116,365,179	1,064,174,125	(105,452,774)	214,666,792	3,456,485,742
Loss for the year	-	-	-	(21,280,023)	-	(21,280,023)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(21,280,023)	-	(21,280,023)
BALANCE AS AT JUNE 30, 2025	2,166,732,420	116,365,179	1,064,174,125	(126,732,797)	214,666,792	3,435,205,719
Profit for the year	-	-	-	9,132,455	-	9,132,455
Other comprehensive income for the year	-	-	600,705,000	-	-	600,705,000
Total comprehensive income for the year	-	-	600,705,000	9,132,455	-	609,837,455
BALANCE AS AT JUNE 30, 2026	2,166,732,420	116,365,179	1,664,879,125	(117,600,342)	214,666,792	4,045,043,174

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



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

Rupees	Note	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		9,132,455	(21,280,023)
Adjustments:			
Depreciation of property, plant and equipment		9,687,264	807,272
Gain on sale of store items		(6,685,984)	–
Finance cost		20,322,899	2,774,540
		23,324,179	3,581,812
Profit / (loss) before working capital changes		32,456,634	(17,698,211)
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Inventories		(1,300,381,514)	–
Advances		–	13,047,000
Deposits and other receivables		(122,873,913)	–
Due from the government		(449,679,410)	(293,780,119)
		(1,872,934,837)	(280,733,119)
Increase / (decrease) in current liabilities			
Trade and other payables		(6,338,846)	80,802,509
Cash used in operations		(1,846,817,049)	(217,628,822)
Payment of income tax		(47,108,398)	(5,710,057)
Net cash used in operating activities		(1,893,925,447)	(223,338,879)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(2,029,542,202)	(1,793,972,012)
Proceeds from sale of store items		341,270,196	–
Net cash used in investing activities		(1,688,272,006)	(1,793,972,012)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		2,837,191,865	3,034,064,382
Repayments of long-term financing		(1,960,950,645)	(104,711,943)
Proceeds from / repayment of short-term borrowings – net		401,520,900	(770,772,162)
Proceeds from / repayment of short-term loans from Directors and their relatives – net		2,863,037,396	(112,475,015)
Finance cost paid		(469,864,906)	(219,690,270)
Net cash generated from financing activities		3,670,934,610	1,826,414,993
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		88,737,157	(190,895,898)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		14,760,779	205,656,677
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	28	103,497,936	14,760,779

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



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a public limited company on August 19, 2012 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its registered office is situated at 31-A, Shadman I, Lahore. The principal purpose of the Company is to carry on business of generating and supplying electricity. The issued, subscribed and paid-up capital of the Company is Rs. 2,166.732 million divided into 194.103 million ordinary shares of Rs. 10/- each and 22.570 million Class-B shares of Rs. 10/- each. Ordinary shares carry one vote per share, whereas, Class-B shares carry 100 votes per share. The Company is a subsidiary of Mughal Iron & Steel Industries Limited (holding company) which holds 174.692 million (June 30, 2025: 174.692 million) ordinary shares representing 90% of the ordinary shares and 22.570 million (June 30, 2025: 22.570 million) Class-B shares, representing 100% of the Class-B shares. Based upon the total number of ordinary and Class-B shares held, holding company has 99.21% (June 30, 2025: 99.21%) control of the Company. Ordinary shares are listed on the Growth Enterprise Market (GEM) board of the Pakistan Stock Exchange Limited (PSX), whereas, Class-B shares are unquoted. During the year ended June 30, 2026, the Company was in the process of installing a 36.50 MW captive hybrid power plant, therefore, there was no reported revenue from operations. Subsequent to the year end, the Company successfully commissioned the main 31.50 MW turbine and achieved its Commercial Operation Date (COD) following the successful completion of all requisite testing and commissioning activities with effect from August 31, 2026.

The geographical locations and addresses of the Company's registered office and business units including plant are as follows:

Business unit:	Geographical Location / Address:
- Registered office	31-A, Shadman I, Lahore.
- Plant site	17-KM, Sheikhpura Road, Lahore.

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
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional and presentation currency.

2.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

3 CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

In preparing these financial statements in conformity with accounting and reporting standards as applicable in Pakistan, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgements are regularly evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- i) Useful lives, residual values, depreciation methods, fair value, revaluation and impairment of property, plant and equipment (note 4.1 and 6)
- ii) Provision for impairment of inventories (note 4.2 and 7)
- iii) Financial instruments - fair value and allowances for expected credit losses (note 4.5 and 34)
- iv) Estimation of contingencies (note 4.9 and 21)
- v) Leases (note 4.15 and 6)

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 **Property, plant and equipment**

Tangible operating fixed assets :

Items of property, plant and equipment are initially measured at cost. Cost comprises of historical cost, borrowing cost pertaining to the qualifying assets and other directly attributable costs of bringing the assets to their working condition. Subsequently, these are measured at cost less accumulated depreciation and accumulated impairment loss, if any, except for freehold land which is stated at revalued amount less accumulated impairment loss, if any. Subsequent costs are included in the carrying amount of the items of property, plant and equipment or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalized and the asset so replaced is derecognized. The cost of the day to day servicing is charged to profit or loss.

Any revaluation increase arising on revaluation of items of property, plant and equipment is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" net of related deferred taxation, if any, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Accumulated depreciation outstanding as at the revaluation date is eliminated against the gross carrying amount of the items of property, plant and equipment revalued and the net amount is restated to the revalued amount of the items of property, plant and equipment revalued. Any decrease as a result of revaluation of items of property, plant and equipment is recognized in profit or loss, however, a decrease is recorded in other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets. An annual transfer from the revaluation surplus on property, plant and equipment to un-appropriated profit / accumulated loss is made for the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on assets original cost (net of deferred tax).

Depreciation, if any, is charged to profit or loss applying the straight line method at the rates given in note 6.1 to the financial statements to write off the depreciable amount of each asset over its estimated useful life. Depreciation, if any, is charged from the date when the asset becomes available for use up to the date of its disposal.

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss on disposal or de-recognition (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is taken to profit or loss. In case of disposal of revalued item of property, plant and equipment, any revaluation surplus relating to the particular asset being sold is transferred to un-appropriated profits / accumulated loss.

The useful lives, residual values and depreciation methods are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, the key assumptions used to determine the fair value of property, plant and equipment are provided in note 6.

Assets subject to operating lease:

Freehold land and solar plant subject to operating leases are presented as part of property, plant and equipment. Land is carried at revalued amounts, based on periodic valuations performed by independent valuer, less any subsequent impairment losses, and is not depreciated. The land has not been classified as investment property because it is intended for the Company's future use in the production or supply of goods, and therefore falls within the scope of IAS - 16 'Property, Plant and Equipment' rather than IAS - 40 'Investment Property'. Solar plant is carried at cost less accumulated depreciation and accumulated impairment loss, if any, and is depreciated over its estimated useful life on a straight-line basis. Lease income from operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease, if any, are capitalized and amortized over the lease term on the same basis as the lease income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Capital work-in-progress:

Capital work-in-progress is stated at cost less accumulated impairment loss, if any and represents expenditure incurred on property, plant and equipment during the construction and installation. Cost also includes applicable borrowing costs. It also includes cost incurred on assets constructed on land held under operating lease or similar usage rights. These costs are recognized when they are directly attributable to the construction and are capitalized until the asset is ready for intended use. Transfers are made to relevant property, plant and equipment category as and when assets are available for use as intended.

Impairment:

Impairment test for property, plant and equipment is performed when there is an indication of impairment. At each period end, an assessment is made to determine whether there is any indication of impairment. If any indications exist, an estimate of the recoverable amount is calculated. 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. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount of the asset to its recoverable amount.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the tangible operating fixed asset in its present form and its eventual disposal.

An impairment loss is recovered if there has been a change in the estimate 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 amortization, if any, if no impairment loss had been recognized.

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").

4.2 Inventories

These are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spares and loose tools	at moving average cost of invoice value plus other charges, if any, incurred thereon.
Raw material	at moving average cost of invoice value plus other charges, if any, incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred for its sale. Net realizable value of stores, spares and loose tools and raw material inventory is determined on the basis of replacement cost.

The Company reviews the carrying amount of inventories on a regular basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence / excess inventories, if there is any change in usage pattern and / or physical form of related inventory. Inventory write-down, if any, is made based on the current market conditions, historical experience and selling goods of similar nature, which can change significantly as a result of changes in market conditions. Major spare parts and stand-by equipment qualify as property, plant and equipment when the Company expects to use them for more than one year. Transfers are made to tangible fixed assets category as and when such items are available for use.

Inventories principally comprise of coal inventory held for consumption in the generation of electricity. Where surplus inventories are sold outside the ordinary course of the Company's principal operations, the proceeds from such sales are recognized as other income when the relevant recognition criteria are satisfied. The carrying amount of inventories so sold is recognized as an expense in the period in which the related income is recognized.

Receivables arising from such incidental sales are classified as other receivables.

4.3 Foreign currency transactions and translation

Transactions in foreign currencies are translated to Pakistani Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pakistani Rupees at the foreign exchange rates approximating those prevailing at the statement of financial position date. When a currency is not exchangeable into another currency at the measurement date, the Company estimates the spot exchange rate at that date in accordance with IAS - 21 'The Effects of Changes in Foreign Exchange Rates'. The estimated rate reflects the rate at which an orderly exchange transaction would have taken place between market participants under prevailing economic conditions. Exchange differences, if any, are charged to profit or loss. Foreign currency gains and losses are reported on a net basis.

4.4 Income tax and levies

The tax expense comprises current, prior and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current:

Current income tax comprises the amount of income tax determined on taxable profit for the year in accordance with the applicable provisions of the Income Tax Ordinance, 2001, measured using enacted or substantively enacted tax rates after considering available tax credits, rebates and exemptions. The Company designates the amount calculated on taxable income using the enacted tax rate as current income tax within the scope of IAS - 12 'Income Taxes'. Any final tax or excess of minimum tax over the amount designated as income tax, or any of the minimum tax as per Income Tax Ordinance, 2001 is then recognized as a levy falling under the scope of IFRIC-21/IAS - 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Prior:

This includes adjustments, where considered necessary, to existing provision for tax made in previous years arising from assessments framed during the period for such years.

Deferred:

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences arising on the initial recognition of goodwill and temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Levy:

The Company has adopted the guidance on accounting for minimum and final taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP). Accordingly, the Company designates the amount calculated on taxable income using the enacted tax rate as an income tax within the scope of IAS-12 'Income Taxes' and recognize it as current income tax expense. Any final tax or excess of minimum tax over the amount designated as income tax, or any of the minimum tax as per Income Tax Ordinance, 2001 is then recognized as a levy falling under the scope of IFRIC-21/IAS - 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Management periodically evaluates tax positions reflected in tax returns with respect to matters where applicable tax laws are subject to interpretation. Provisions are recognized for uncertain tax positions where it is probable that additional taxes will become payable. Such assessments require significant judgment and are based on management's interpretation of tax laws, legal precedents and professional advice. Differences between the final tax outcome and the amounts previously recognized are recorded in the period in which the determination is made.

4.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and initial measurement:

Trade debts and debt securities issued, if any, are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade debt without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade debt, if any, without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement:

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) – debt investment; fair value through other comprehensive income – equity investment or fair value through profit or loss (FVTPL), as appropriate. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company classifies all its financial assets as measured at amortized cost. The classification is made in accordance with the Company's business model for managing the financial assets and contractual cash flow characteristics of the financial assets. This classification is only made when the Company's financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and when the contractual cash flows 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. The Company does not hold any debt investments or equity investments.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL, as appropriate. A financial liability is classified as at FVTPL, if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss. The Company classifies all of its financial liabilities as 'Other financial liabilities'.

De-recognition:

Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting of financial assets and financial liabilities:

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Effective interest method:

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Impairment policy:

The Company recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI, if any, and
- contract assets, if any.

However, the Company does not have any debt investments measured at FVOCI or contract assets.

For financial assets (other than trade debts), if any, whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on these financial asset has significantly increased since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities, if any, at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower / customer;
- a breach of contract such as a default or being more than 365 days past due; or
- the restructuring of a loan or advance by the Company on terms that the Company would not consider – otherwise;
- it is probable that the borrower / customer will enter bankruptcy.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written-off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

4.6 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

4.7 Cash and cash equivalents

Cash and bank balances are carried in the statement of financial position at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprises of cash in hand, cash at banks and short-term highly liquid investments, net of outstanding bank overdrawn as they are considered an integral part of the Company's cash management.

4.8 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense. 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 recognized provision is recognized in profit or loss unless the provision was originally recognized as part of cost of an asset.

4.9 Contingent liabilities / assets

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of the one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

4.10 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date. Covenants that the Company is required to comply with on or before the end of the reporting period are considered when classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification at the reporting date. Borrowing costs are recognized as an expense in the period in which these are incurred except in cases where such costs are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) in which case such costs are capitalized as part of the cost of that asset.

4.11 Share capital

Ordinary shares and Class-B shares are classified as equity instruments and recognized at their face value. Transaction costs of an equity transaction are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

4.12 Interest income and finance costs

Interest Income comprises interest income on funds invested in term deposit receipts and saving accounts. Interest Income is recognized as it accrues in profit or loss, using effective interest method.

Finance costs comprise of bank charges, interest expense on borrowings and impairment losses recognized on financial assets, if any. The Company's policy relating to borrowing costs is mentioned in note 4.10.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

4.13 Loans, deposits, interest accrued and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.14 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares only. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Class-B shares are not considered for the purpose of calculating EPS since they are not entitled to any dividend / profit participation.

4.15 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Assets subject to operating lease are initially stated at cost and subsequently at cost / revalued amounts less accumulated depreciation and accumulated impairment, if any, as the case may be. The revaluation, impairment and depreciation policy for assets subject to operating leases is consistent with the normal policy in respect of tangible operating fixed assets as mentioned in note 4.1.

Company as a lessee:

The Company has elected not to recognize right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

4.16 Employee benefits

Post-employment benefit:

Based upon number of employees the Company is currently not yet required to provide any post employment benefits, therefore, no provision has been provided.

Short-term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries and other short-term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

4.17 Dividend and reserve appropriations

Final dividend distributions to the Company's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are approved by the Board of Directors. Any other movements in reserves are recognized in the year in which the appropriations are approved.

4.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief executive officer (CEO) has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Currently, the results are reported as a single reportable segment.

4.19 Revenue recognition

Revenue from contracts with customers is recognised when or as the Company satisfies a performance obligation by transferring the promised goods or services to a customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue from sale of electricity is recognised as when electricity is supplied to the customer, based on the units of electricity delivered and measured in accordance with the terms of the relevant power purchase/electricity supply agreement and at the applicable contractual tariff.

Where the consideration includes variable amounts, including tariff adjustments or other contractual adjustments, such amounts are included in the transaction price only to the extent that it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company's policy relating to expected credit losses of trade debts and contract assets is mentioned in note 4.5.

Trading / miscellaneous / other income is recognized on occurrence of transactions.

The Company's policy relating to rental income is mentioned in note 4.15.

The Company's policy relating to income from financial assets is mentioned in note 4.12.

5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

5.1 Standards, amendments and interpretations to existing standards that are effective in the current year

Certain standards, amendments and interpretations to IFRS Accounting Standards are effective for accounting periods beginning on July 1, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

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

Following are the standards and amendments to the IFRS Accounting Standards that are mandatory for companies having accounting periods beginning on or after July 1, 2026 and have not been early adopted by the Company. Except as disclosed, these are considered either not to be relevant or to have any significant effect on the Company's operations upon their initial application and are therefore not detailed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

		Effective date (annual periods beginning on or after)
Amendments / annual improvements to IFRS Accounting Standards:		
IAS - 7	Statement of Cash Flows*	1 January 2026
IAS - 21	Amendments regarding translations to a hyperinflationary presentation currency	1 January 2027
IAS - 28	Investments in Associates and Joint Ventures	1 January 2027
IFRS - 7	Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments*	1 January 2026
IFRS - 9	Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments*	1 January 2026
IFRS - 10	Consolidated Financial Statements*	1 January 2026
New IFRS Accounting Standards:		
IFRS - 17	Insurance contracts	1 January 2027
IFRS - 18	Presentation and Disclosures in Financial Statements*	1 January 2027
IFRS - 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS - 20	Regulatory Assets and Regulatory Liabilities	1 January 2029

* The Company is yet to assess the impact of these standards and amendments on its financial statements.

5.3 IFRS Accounting Standards that have been issued by the International Accounting Standards Board (IASB) but not yet locally notified by the Securities and Exchange Commission of Pakistan (SECP)

IFRS - 1	First Time Adoption of International Financial Reporting Standards
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The adoption will have no significant effect on the Company's operations upon its initial application and are therefore not detailed in these financial statements.

Rupees	Note	2026	2025
6	PROPERTY, PLANT AND EQUIPMENT		
Tangible operating fixed assets	6.1	2,407,379,011	1,816,361,275
Capital work-in-progress	6.2	6,823,876,493	4,650,096,714
		9,231,255,504	6,466,457,989

6.1 Tangible operating fixed assets:

Rupees	Freehold land (operating)	Assets subject to operating lease			Total
	Freehold land	Solar plant	Subtotal		
Gross carrying value basis					
As at June 30, 2024					
Cost / revalued amount	1,451,584,602	121,690,398	-	121,690,398	1,573,275,000
Net book value	1,451,584,602	121,690,398	-	121,690,398	1,573,275,000
Net carrying value basis					
Year ended June 30, 2025					
Opening net book value	1,451,584,602	121,690,398	-	121,690,398	1,573,275,000
Transfers from capital work-in-progress	-	-	243,893,547	243,893,547	243,893,547
Depreciation charge for the year	-	-	(807,272)	(807,272)	(807,272)
Balance as at June 30, 2025	1,451,584,602	121,690,398	243,086,275	364,776,673	1,816,361,275
Depreciation Rate (%)	-	-	4	-	-
Gross carrying value basis					
As at June 30, 2025					
Cost / revalued amount	1,451,584,602	121,690,398	243,893,547	365,583,945	1,817,168,547
Accumulated depreciation	-	-	(807,272)	(807,272)	(807,272)
Net book value	1,451,584,602	121,690,398	243,086,275	364,776,673	1,816,361,275
Net carrying value basis					
Year ended June 30, 2026					
Opening net book value	1,451,584,602	121,690,398	243,086,275	364,776,673	1,816,361,275
Revaluation surplus	494,395,398	106,309,602	-	106,309,602	600,705,000
Depreciation charge for the year	-	-	(9,687,264)	(9,687,264)	(9,687,264)
Balance as at June 30, 2026	1,945,980,000	228,000,000	233,399,011	461,399,011	2,407,379,011
Depreciation Rate (%)	-	-	4	-	-
Gross carrying value basis					
Balance as at June 30, 2026					
Cost / revalued amount	1,945,980,000	228,000,000	243,893,547	471,893,547	2,417,873,547
Accumulated depreciation	-	-	(10,494,536)	(10,494,536)	(10,494,536)
Net book value	1,945,980,000	228,000,000	233,399,011	461,399,011	2,407,379,011

6.1.1 The depreciation charge for the year has been allocated as follows:

Rupees	2026	2025
Administrative expenses	9,687,264	807,272

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 6.1.2** Freehold land (operating) and freehold land subject to operating lease, have been measured using the revaluation model. Latest revaluation was conducted on June 30, 2026 and performed by an independent valuer – M/s Tristar International Consultant (Private) Limited, having appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. Revaluation was carried out on the basis of information from various real estate agents of present market values of similar property in the vicinity. If the cost model had been used, the carrying amount of the freehold land (operating) and freehold land subject to operating lease would have been Rs. 467.915 million (2025: Rs. 467.915 million) and Rs. 41.185 million (2025: Rs. 41.185 million) respectively. The forced sale value as per latest revaluation report of freehold land (operating) and freehold land subject to operating lease is Rs. 1,556.784 million and Rs. 182.400 million, respectively.
- 6.1.3** Freehold land subject to operating lease represents land measuring 48 kanal, acquired with the funds of the Company which is not in the possession and control of the Company, as it has been leased out to Mughal Iron & Steel Industries Limited – holding company. The arrangement is made to enable the holding company to utilize the land for operational purposes.
- 6.1.4** Solar plant is not in the possession and control of the Company as it has been temporarily leased out to Mughal Iron & Steel Industries Limited – holding company.
- 6.1.5** Information about the fair value hierarchy of freehold land (operating) and freehold land subject to operating lease as at the end of the reporting period are as follows:

Rupees	Level 2	Total
Freehold land (operating)	1,945,980,000	1,945,980,000
Freehold land subject to operating lease	228,000,000	228,000,000
June 30, 2026	2,173,980,000	2,173,980,000
Freehold land (operating)	1,451,584,602	1,451,584,602
Freehold land subject to operating lease	121,690,398	121,690,398
June 30, 2025	1,573,275,000	1,573,275,000

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The fair value of the freehold land (operating) and freehold land subject to operating lease, was estimated based on appraisals performed by independent, professionally qualified property valuer. The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question such as its location, size, shape, development of the surrounding locality, etc. The significant unobservable input is the adjustment for factors specific to the land in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

6.1.6 Particulars of immovable fixed assets are as follows:

Description:	Location:	Approx. area of land:
- Freehold land (operating)	17-KM, Sheikhpura Road, Lahore.	409.68 Kanal
- Freehold land subject to operating lease (Note: 6.1.3)	17-KM, Sheikhpura Road, Lahore.	48 Kanal

6.2 Following is the movement in capital work-in-progress:

Rupees	Note	Opening balance	Additions	Transfers	Closing balance
Hybrid power plant		4,647,429,421	2,480,928,979	(334,584,212)	6,793,774,188
Building	6.2.1	2,667,293	27,435,012	-	30,102,305
June 30, 2026		4,650,096,714	2,508,363,991	(334,584,212)	6,823,876,493
June 30, 2025		2,891,274,751	2,002,715,510	(243,893,547)	4,650,096,714

6.2.1 The Company has leased out freehold land area measuring 48 kanal to Mughal Iron & Steel Industries Limited (holding company), for a period of 15 years, whereby, the holding company will develop the land for use as godown, and at the end of the term, the said development will become property of the Company. Accordingly, this represents the development cost being recognized over a period of 15 years by the Company.

6.3 Details of charges created on certain items of property, plant and equipment is given in note 16. The Company is not allowed to offer the assets under charge as security for additional borrowings or to sell them without prior approval of the existing lenders.

6.4 Contractual commitments for the acquisition of property, plant and equipment amounted to Rs. Nil as at June 30, 2026 (2025: Rs. 881.911 million).

6.5 Property, plant and equipment includes certain assets held under common ownership under diminishing musharaka arrangement.

Rupees	2026	2025
7 INVENTORIES		
Raw Material	1,300,381,514	-

7.1 Inventories are under hypothecation of commercial banks as security for facilities in respect of short-term borrowings (note 19).

Rupees	Note	2026	2025
8 DEPOSITS AND OTHER RECEIVABLES			
Margin against letter of credit		41,658,734	-
Other receivables (Considered good and unsecured)	8.1	81,215,179	-
		122,873,913	-

8.1 This mainly includes receivable on account of sale of surplus coal inventory by the Company and was recovered subsequently.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Rupees	Note	2026	2025
9 DUE FROM THE GOVERNMENT			
Advance sales tax		1,182,418,136	732,738,726
Advance income tax		72,954,937	25,846,539
		1,255,373,073	758,585,265
10 CASH AND BANK BALANCES			
<i>Balances with Islamic banks:</i>			
- Current accounts		93,575,634	14,350,008
- Saving accounts	10.1	33,564	23,436
		93,609,198	14,373,444
<i>Balances with conventional banks:</i>			
- Current accounts		11,719,409	300,075
		105,328,607	14,673,519
Cash in hand		82,000	87,261
		105,410,607	14,760,779

10.1 Saving accounts carried profit rate ranging between 4% to 7% (2025: 4% to 5%).

11 AUTHORIZED SHARE CAPITAL

The authorized share capital of the Company is Rs. 2,500,000,000 (2025: Rs. 2,500,000,000) divided into 200,000,000 (2025: 200,000,000) ordinary shares of Rs. 10/- each, 27,429,945 (2025: 27,429,945) Series A-Preference Shares of Rs. 10/- each and 22,570,055 (2025: 22,570,055) Class-B shares of Rs. 10/- each.

The rights and privileges relating to ordinary shares and Class-B shares are detailed in note 12, whereas, the rights and privileges relating to Series A-Preference shares have not yet been determined and approved by the members of the Company.

12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Issued, subscribed and paid-up capital comprised of the following classes of ordinary shares allotted for consideration paid in cash:

2026	2025	Note	2026	2025
Number of shares			Rupees	
194,103,187	194,103,187	Ordinary shares of Rs. 10/- each	1,941,031,870	1,941,031,870
22,570,055	22,570,055	Class-B shares of Rs. 10/- each	225,700,550	225,700,550
216,673,242	216,673,242		2,166,732,420	2,166,732,420

12.1 Ordinary shares carry one vote per share and are entitled to dividend declared by the Company from time to time. Ordinary shares are listed on the Pakistan Stock Exchange Limited under the symbol 'GEMMEL'.

12.2 Class-B shares carry 100 votes per share, are participatory in surplus assets in case of liquidation, are not convertible into ordinary shares and have no right to any dividend or bonus shares or right shares declared / issued by the Company.

12.3 Mughal Iron & Steel Industries Limited (holding company) holds 174.692 million ordinary shares constituting 90% of the ordinary shares and 22.570 million Class-B shares constituting 100% of Class-B shares. 162 ordinary shares (2025: 162 ordinary shares) were held in the name of Directors as at June 30, 2026.

Rupees	2026	2025
13 SHARE PREMIUM		
Share premium account	116,365,179	116,365,179

13.1 Share premium account is classified as capital reserve account. It can only be utilized in accordance with the Section 81 of the Companies Act, 2017.

Rupees	2026	2025
14 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT		
Freehold Land (operating)	1,478,064,625	983,669,227
Freehold land subject to operating lease	186,814,500	80,504,898
	1,664,879,125	1,064,174,125

14.1	Movement in revaluation surplus on property, plant and equipment:		
	Opening balance	1,064,174,125	1,064,174,125
	Revaluation surplus recognized during the year	600,705,000	-
	Closing balance	1,664,879,125	1,064,174,125

14.2 The surplus on revaluation of freehold land (operating) and freehold land subject to operating lease is not available for distribution to the shareholders in accordance with the Section 241 of the Companies Act, 2017.

15 EQUITY CONTRIBUTION / LOAN FROM DIRECTORS

This represents interest-free and unsecured loan provided by Directors for meeting various capital expenditure and working capital requirements. Since, it is repayable at discretion of the Company, therefore, it has been recognized as part of equity. This loan has been accounted for under Technical Release - 32 "Accounting Director's Loan" issued by the Institute of Chartered Accountants of Pakistan (ICAP).

Rupees	Note	2026	2025
16 LONG-TERM FINANCING			
<i>Secured</i>			
<i>Obtained under conventional mode:</i>			
- PAIR Investment Company Limited	16.1	227,654,580	272,575,431
- Parwaaz Financial Services Limited	16.2	108,666,671	135,939,396
		336,321,251	408,514,827
<i>Obtained under Islamic mode - (Diminishing Musharaka):</i>			
- MCB Islamic Bank Limited	16.3	362,859,878	278,957,513
- The Bank of Punjab (Taqwa Islamic Banking)	16.4	417,169,600	163,880,100
- United Bank Limited (Ameen Islamic Banking)	16.5	2,469,576,264	-
		3,249,605,742	442,837,613
		3,585,926,993	851,352,440
<i>Unsecured</i>			
- Mughal Iron & Steel Industries Limited (holding company)	16.6	641,666,667	2,500,000,000
		4,227,593,660	3,351,352,440
Current portion shown under current liabilities		(320,925,181)	(80,418,124)
		3,906,668,479	3,270,934,316

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 16.1** This represents outstanding amount in respect of total financing facility of Rs. 300.000 million, obtained for the purpose of financing the captive hybrid power plant project. It is repayable in 22 equal quarterly installments, post completion of grace period of 18 months, with last installment due in February 2030. It carries mark-up at the rate of 3MK + 1.50% per annum. It is secured by specific charge of Rs. 448.592 million on specific fixed assets, personal guarantee of Directors and corporate guarantee issued by Mughal Iron & Steel Industries Limited (holding company).
- 16.2** This represents outstanding amount in respect of total financing facility of Rs. 150.000 million, obtained for the purpose of financing the solar project. It is repayable in 66 equal monthly installments, post completion of grace period of 6 months, with last installment due in June 2030. It carries mark-up at the rate of 3MK + 2.00% per annum. It is secured by specific charge of Rs. 247.000 million on specific fixed assets, personal guarantee of Directors and corporate guarantee issued by Mughal Iron & Steel Industries Limited (holding company).
- 16.3** This represents outstanding amount in respect of total facility of Rs. 400.000 million, obtained for the purpose of financing equipment relating to captive hybrid power plant project having tenure of 36 months inclusive of 6 months grace period. It carries profit at the rate of 3MK + 2.00% per annum. It is secured by Joint Pari Passu charge of Rs. 534.000 million on fixed assets (excluding land, building and specific assets), personal guarantee of Directors and corporate guarantee issued by Mughal Iron & Steel Industries Limited (holding company).
- 16.4** This represents outstanding amount in respect of total facility of Rs. 500.000 million obtained for the purpose of financing equipment relating to captive hybrid plant project having tenure of 60 months. It will be repayable in 20 equal quarterly installments. It carries profit at the rate of 3MK + 1.70% per annum. It is secured by Joint Pari Passu charge of Rs. 666.670 million on fixed assets (excluding land, building and specific assets), personal guarantee of Directors and corporate guarantee issued by Mughal Iron & Steel Industries Limited (holding company).
- 16.5** This represents outstanding amount in respect of total facility of Rs. 2,500.000 million obtained for the purpose of re-financing the hybrid power plant project. It is repayable in 8 equal bi-annual installments, post completion of grace period of 1 year, with last installment due in June 2031. It carries profit at the rate of 3MK + 2.75% per annum. It is secured by ranking charge upgradable to Joint Pari Passu charge amounting Rs. 3,334.000 million on specific fixed assets and personal guarantee of Directors. Transaction costs incurred in obtaining the facility are being amortized over the tenure of the facility using the effective interest method.
- 16.6** This represents outstanding amount in respect of total facility of Rs. 2,500.000 million from Mughal Iron & Steel Industries Limited (holding company), obtained for the purpose of financing the captive hybrid plant project. It is repayable in 18 equal quarterly installments, post completion of grace period of 1.5 years, with last installment due in June 2031. It carries mark-up at the rate of 3MK + 2.25% per annum or above average borrowing cost of the holding company which ever is higher. During the year, the Company made an early partial repayment of Rs. 1,858.333 million against the outstanding principal. The remaining balance is repayable in accordance with the original terms and conditions of the loan agreement. As at June 30, 2026, the loan was neither past due nor impaired.

Rupees	Note	2026	2025
17	TRADE AND OTHER PAYABLES		
Creditors		144,130,934	148,409,102
Accrued and other liabilities		4,918,748	8,205,245
Security against rent	17.1	7,000,000	7,000,000
Withholding taxes payable		1,554,604	328,785
		157,604,286	163,943,132

17.1 Amount due to related parties in respect of security deposits against short-term rent agreement is as follow:

Rupees	Note	2026	2025
- Mughal Iron & Steel Industries Limited - (holding company)		7,000,000	7,000,000

18 ACCRUED PROFIT / MARK-UP

<i>Payable under Islamic mode of financing</i>			
<i>in respect of:</i>			
- Long-term financing		45,812,212	15,390,222
- Short-term borrowings		3,276,851	-
		49,089,063	15,390,222
<i>Payable under conventional mode of financing in respect of:</i>			
- Long-term financing	18.1	5,072,513	9,491,572
		54,161,576	24,881,794

18.1 This includes an amount of Rs. 1.980 million payable to Mughal Iron & Steel Industries Limited (holding company).

Rupees	Note	2026	2025
19 SHORT-TERM BORROWINGS			
United Bank Limited (Ameen Islamic Banking) - (Secured)	19.1	401,520,900	-
Temporary bank overdrawn	19.2	1,912,671	-
		403,433,571	-

19.1 This has been obtained for meeting working capital requirements. The aggregate credit facility available to the Company for utilization other than under trade credit amounted to Rs. 1,000.000 million (2025: Rs. Nil). Out of the total available facility, Rs. 598.479 million (2025: Rs. Nil) remained unavailed as at June 30, 2026. The facility is secured by ranking charges of Rs. 1,334.000 million over present and future current assets of the Company and personal guarantees of the Directors and carry profit at the rate 1MK + 1.50% (2025: Nil) per annum.

19.2 This represented cheques issued by the Company at the reporting date to be met with subsequent deposits.

Rupees	Note	2026	2025
20 SHORT-TERM LOANS FROM DIRECTORS AND THEIR RELATIVES - UNSECURED			
	20.1	3,127,545,844	264,508,448

20.1 This represents interest-free and unsecured loans from Directors and their relatives and were repayable on demand. These loans were provided and utilized for meeting capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Rupees	Note	2026	2025
21	CONTINGENCIES AND COMMITMENTS		
<i>Contingencies:</i>			
There were no contingencies as at June 30, 2026. (2025: Rs. Nil)			
<i>Commitments:</i>			
<i>Capital commitments</i>			
- Local		-	359,775,481
- Foreign		-	522,135,367
		-	881,910,848
22	ADMINISTRATIVE EXPENSES		
Directors' remuneration		7,599,180	7,722,000
Salaries		23,763,341	8,258,651
Legal and professional charges		65,000	97,500
Fee and subscription		6,882,656	5,927,692
Rent, rates and taxes		481,150	463,000
Printing, stationery and postage		1,813,200	2,547,071
Depreciation	6.1.1	9,687,264	807,272
		50,291,791	25,823,187
23	OTHER CHARGES		
<i>Auditors' remuneration:</i>			
- Annual Statutory audit		525,000	525,000
- Interim review		110,250	110,250
- Review report on code of corporate governance & other certifications		199,960	155,000
		835,210	790,250
24	OTHER INCOME		
<i>Shariah compliant:</i>			
- Profit on saving accounts		6,455	24,021
- Rental income		42,000,000	5,416,640
- Notional income against development of property	6.2.1	27,435,012	2,667,293
- Gain on sale of store items		8,365,984	-
- Gain on sale of raw material	24.1	2,663,964	-
- Exchange gain realized		110,940	-
		80,582,355	8,107,954

- 24.1** This represented sale of surplus coal inventory by the Company costing Rs. 448.531 million for consideration of Rs. 451.195 million.

Rupees	Note	2026	2025
25	FINANCE COST		
<i>Profit / mark-up in respect of:</i>			
- Long-term financing - (Conventional)	25.1	16,414,124	1,651,668
- Short-term borrowings - (Islamic)		3,276,851	-
		19,690,975	1,651,668
Bank charges		631,924	1,122,872
		20,322,899	2,774,540

25.1 Borrowing costs capitalized during the year amounted to Rs. 478.822 million (2025: Rs. 208.743 million). The rate of profit / mark-up has been disclosed in notes 16 to the financial statements.

26 TAXATION

The tax provision is calculated by considering the various taxes applicable in view of provisions of various sections of Income Tax Ordinance, 2001, after taking to account any adjustments of brought forward tax losses, minimum taxes and tax credits, if any, available under the Income Tax Ordinance, 2001.

Tax returns are deemed to be assessed under provisions of the Income Tax Ordinance, 2001, unless selected for audit by the taxation authorities. The Commissioner of income tax may at any time during the period of six years from the end of the tax year to which they relate, may select the deemed assessment order for audit.

As at the year end, the Company has filed tax returns up to tax year 2025. No tax liability for the year has been recognized, since the Company has yet to commence its operations and has brought forward loss. The Company has not recognized any deferred tax liability / asset, since the income of the Company will be exempt from taxation. The Company has no minimum taxes available for carry forward.

Rupees		2026	2025
27	EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED		
<i>Basic earnings per share</i>			
Profit / (loss) for the year	Rupees	9,132,455	(21,280,023)
Weighted average number of ordinary shares	Number	194,103,187	194,103,187
Earnings / (loss) per share - basic	Rupees	0.05	(0.11)

27.1 For the purpose of calculating earnings / (loss) per share, Class-B shares have not been taken since they have no right in any dividend declared by the Company.

Diluted earnings per share

27.2 There were no dilutive potential ordinary shares outstanding as at June 30, 2026 and June 30, 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Rupees	Note	2026	2025
28	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
<i>Cash and cash equivalents included in the statement of cash flows comprise of the following amounts:</i>			
Cash and bank balances	10	105,410,607	14,760,779
Temporary bank overdrawn	19.2	(1,912,671)	-
		103,497,936	14,760,779

29 ENTITY WIDE INFORMATION

The Company constitutes of a single reportable 'Energy' segment.

- (i) As at June 30, 2026, the Company had not yet started commercial operations.
- (ii) All non-current assets of the Company as at June 30, 2026 are located within Pakistan.
- (iii) Since, the Company had not yet started commercial operations, therefore, the Company did not have transactions with any external customers which amount to 10 percent or more of its revenues, except for receivable outstanding on account of sale of coal.

30 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Rupees	Chief Executive Officer 2026	2025	Executives 2026	2025
Managerial remuneration	7,599,180	7,722,000	4,800,000	2,625,000
Number of Persons	1	1	2	2

30.1 Amount charged in these financial statements in respect of meeting fee amounted to Rs. 1.925 million (2025: Rs. 1.500 million) on account of meeting fee paid to Directors.

30.2 Executives include aggregate amount in respect of salary to 2 (2025: 2) key management personnel (other than Directors) amounting to Rs. 4.800 million (2025: Rs. 2.625 million).

30.3 Executives mean employees other than the Chief Executive Officer and Directors, whose basic salary exceeds Rs. 1,200,000/- in a financial year. The Company bears travelling expenses, if any, of Chairman, Chief Executive Officer, Directors and other key management personnel relating to travel for official purposes including expenses incurred in respect of attending Board and Committee meetings.

Number	2026	2025
31		
NUMBER OF EMPLOYEES		
Number of persons employed	23	18
Average number of employees during the year	21	14

32 RELATED PARTY DISCLOSURE

The Company ("the reporting entity") in the normal course of business carries out transactions with various related parties ("the entities"). The Company is a subsidiary of Mughal Iron & Steel Industries Limited (holding company). Therefore, all subsidiaries, if any and associated undertakings of the holding company are related parties of the Company. Other related parties comprise of entities regarded as related due to common directorship or common management, major shareholders, key management personnel and their close family members ("the relatives"). Major shareholders are those persons having control of or significant influence over the reporting entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, directly or indirectly including Directors (whether executive or otherwise) of the reporting entity.

Following are the related parties / associated companies / undertakings with whom the company had entered into transactions or had agreements and / or arrangements in place during the financial year, along with the basis of relationship describing common directorship and percentage of shareholding of the Company in the related parties;

Name of associated companies / related parties / undertakings:	Relationship	Basis of relationship describing common directorship and percentage of shareholding
Mughal Iron & Steel Industries Limited	Holding Company	The holding company holds 90% ordinary shares & 100% Class-B shares
Mr. Mirza Javed Iqbal	Related party	Director
Mr. Muhammad Aslam Bhatti	Related party	Director
Mrs. Jahanara Sajjad Ahmad	Related party	Director
Mr. Khurram Javaid	Related party	Director
Mr. Jamshed Iqbal	Related party	Director
Mr. Muhammad Mateen Jamshed	Related party	Director
Mr. Abdul Rehman Qureshi	Related party	Director
Mr. Fahad Javaid	Related party	Ex - Director
Mr. Muhammad Zafar Iqbal	Related party	Key management personnel
Mr. Muhammad Fahad Hafeez	Related party	Key management personnel
Mrs. Tabasam Javed	Related party	Close family member of Director
Mr. Muhammad Sayyam	Related party	Close family member of Director

Detail of related party transactions during the year, (other than those which have been disclosed elsewhere in these financial statements) are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Rupees	Note	2026	2025
Entity			
Mughal Iron & Steel Industries Limited			
Sales		435,449,732	–
Purchases		543,858,067	512,660,449
Rental income	24	42,000,000	3,500,000
Mark-up on long-term loan		322,803,669	5,926,647
Mark-up on short-term loan		–	111,790,275
Notional income against development of property	24	27,435,012	2,667,293
Long-term loan-repayments / proceeds	16.6	1,858,333,333	2,500,000,000
Short-term loan-repayments		–	790,772,162
Major shareholders, key management personnel and their relatives			
Major shareholders, Directors and their relatives			
Short-term loan-proceeds / repayments-net		2,863,037,396	112,475,015
Rent paid		381,150	363,000

32.1 There were no outstanding balances with related parties as at the year end except for those which have been disclosed separately in relevant notes. Details of salaries and benefits to key management personnel have been disclosed in note 30.

32.2 Mughal Iron & Steel Industries Limited (holding company) has issued corporate guarantee on behalf of the Company amounting to Rs. 2,389.607 million (2025: Rs. 2,389.607 million).

33 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

Rupees	Opening balance	Financing cash flows (33.1)	Other changes	Closing balance
Long-term financing	3,351,352,440	876,241,220	–	4,227,593,660
Accrued profit / mark-up	24,881,794	(469,864,906)	499,144,687	54,161,576
Short-term borrowings	–	401,520,900	–	401,520,900
Short-term loans from Directors and their relatives - unsecured	264,508,448	2,863,037,396	–	3,127,545,844
Equity contribution / loan from Directors	214,666,792	–	–	214,666,792
June 30, 2026	3,855,409,474	3,670,934,610	499,144,687	8,025,488,772
June 30, 2025	1,817,476,444	1,826,414,993	211,518,037	3,855,409,474

33.1 This represents net amount of proceeds and repayments.

34 FINANCIAL INSTRUMENTS

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

- Credit risk
- Liquidity risk
- Market risk

Risk management framework:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

34.1 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. The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. The carrying value of financial assets represents the maximum credit risk. The detail of financial assets along with maximum exposure to credit risk is as follows:

Rupees	2026	2025
Long-term security deposit	87,500	87,500
Deposits and other receivables	122,873,913	—
Bank balances	105,328,607	14,673,519
	228,290,020	14,761,019
<i>Maximum exposure to credit risk by type of counterparty is as follows:</i>		
Bank balances with banking companies and financial institutions	105,328,607	14,673,519
Others	122,961,413	87,500
	228,290,020	14,761,019

Geographically, credit risk is concentrated locally. Out of the total financial assets credit risk is concentrated in bank balances as they constitute almost 46.14% (2025: 99.41%) of total financial assets.

The credit quality of bank balances can be assessed by reference to external credit ratings.

Deposits and other receivables are considered to have low credit risk and mainly comprise margins placed against letters of credit and an amount receivable from a single party in respect of the sale of surplus coal inventory, which was subsequently recovered.

Long-term security deposit is considered to have low credit risk. Expected credit loss policy in respect of these financial assets is provided in note 4.5.

The Company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties assigned to them by credit rating agencies. Out of the total bank balances of Rs. 105.328 million (2025: Rs. 14.673 million), majority of the balances were maintained with banks having short-term credit rating of A1+.

34.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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 uses different methods which assists it in monitoring cash flow requirements. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations (this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters) by maintaining adequate reserves, banking facilities and reserve borrowing facilities and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in notes 16 and 19 to the financial statements is a detail of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The following are the contractual maturities of financial liabilities including estimated interest payments if any and excluding the impact of netting agreements.

Rupees	Carrying amount	Contractual cash flows	Within 1 year	More than 1 but less than 5 years	After 5 years
Non-derivative financial liabilities					
At amortized cost					
- Long-term financing	4,227,593,660	5,437,874,291	719,519,640	4,696,792,719	21,561,932
- Trade and other payables	156,049,682	156,049,682	156,049,682	-	-
- Accrued profit / mark-up	54,161,576	54,161,576	54,161,576	-	-
- Short-term borrowings	403,433,571	403,433,571	403,433,571	-	-
- Short-term loans from Directors and their relatives - unsecured	3,127,545,844	3,127,545,844	3,127,545,844	-	-
June 30, 2026	7,968,784,333	9,179,064,964	4,460,710,313	4,696,792,719	21,561,932
At amortized cost					
- Long-term financing	3,351,352,440	4,951,157,144	490,307,144	3,832,605,257	628,244,743
- Trade and other payables	163,614,347	163,614,347	163,614,347	-	-
- Accrued profit / mark-up	24,881,794	24,881,794	24,881,794	-	-
- Short-term loans from Directors - unsecured	264,508,448	264,508,448	264,508,448	-	-
June 30, 2025	3,804,357,029	5,404,161,733	943,311,733	3,832,605,257	628,244,743

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

34.3 Market risk

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

i) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company is not exposed to any currency risk.

ii) Price risk:

Price risk represents the risk that the fair value or future cash flows of financial instrument will

fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments trading in market. The Company does not hold any investments which expose it to price risk.

iii) Interest rate risk:

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from long-term financing, short-term borrowings and saving accounts. At the reporting date the interest rate risk profile of the Company's interest bearing financial instruments is:

Rupees	2026	2025
<i>Floating rate instruments:</i>		
Financial assets	33,564	23,436
Financial liabilities	4,629,114,560	3,351,352,440
Net interest rate risk	(4,629,080,996)	(3,351,329,004)

Sensitivity analysis:

Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial instruments at fair value through profit or loss, therefore, a change in interest rate at the reporting date would not affect the profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at reporting date would have increased / decreased profit for the year by Rs. 46.290 million (June 2025: Rs. 33.513 million). The related profit / mark-up rates for variable rate financial instruments are indicated in the relevant notes to the financial statements. The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the period and assets / liabilities of the Company.

Interest rate risk management:

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's significant borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

34.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using another valuation technique. 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. In estimating fair value of an asset or liability, the Company takes into the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Level 1 inputs - are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs - these are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs - are unobservable inputs for the asset or liability.

The Company takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. However, due to immaterial effect and impracticalities, the fair value of long-term security deposits has not been determined and their carrying value has been assumed to be equal to their fair value. The carrying amount of financial assets and financial liabilities recognized in these financial statements approximate their respective fair values.

Rupees	2026	2025
	Amortized cost	
34.5 Financial instruments by category		
Financial assets:		
Maturity within one year		
- Deposits and other receivables	122,873,913	—
- Cash and bank balances	105,410,607	14,760,779
Maturity after one year		
- Long-term security deposit	87,500	87,500
	228,372,020	14,848,279
	Other financial liabilities	
Non-derivative financial liabilities		
Maturity within one year		
- Trade and other payables	156,049,682	163,614,347
- Accrued profit / mark-up	54,161,576	24,881,794
- Short-term borrowings - secured	403,433,571	—
- Short-term loans from Directors and their relatives - unsecured	3,127,545,844	264,508,448
- Current portion of long-term financing	320,925,181	80,418,124
Maturity after one year		
- Long-term financing	3,906,668,479	3,270,934,316
	7,968,784,333	3,804,357,029
Off balance sheet financial liabilities:		
- Letters of credits	—	522,135,367

35 CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing its operations / investing activities through mix of equity and debt. The Company has a gearing ratio of 66% (June 2025: 51%) as of the reporting date. In accordance with the agreements executed with the lenders the Company is required to ensure that the total long-term financing to equity ratio does not exceed the lender covenants. The Company ensures compliance with all lender

covenants. Based on management's assessment and forecast financial performance, there are currently no indications that the Company will face difficulty in complying with the above financial covenants when they are next tested on June 30, 2027.

36 SHARIAH DISCLOSURES

Following information has been disclosed as required under relevant clauses of the Fourth Schedule to the Companies Act, 2017.

Rupees	Note	2026	2025
Statement of financial position:			
Liabilities side			
Financing (long-term and short-term financing)			
obtained as per Islamic mode	15,16, 19 & 20	6,993,339,278	922,012,853
Interest or mark-up accrued on any conventional loan or advance	18	5,072,513	9,491,572
Assets side			
Long-term and short-term shariah compliant Investments		Not Applicable	Not Applicable
Shariah compliant bank deposits / bank balances / TDRs	10	105,328,607	14,673,519
Statement of comprehensive income:			
Revenue earned from a shariah compliant business segment		Not Applicable	Not Applicable
Break-up of late payments or liquidated damages		Not Applicable	Not Applicable
Gain or loss or dividend earned from Shariah-compliant investments or share of profit from Shariah-compliant associates		Not Applicable	Not Applicable
Profit earned from Shariah-compliant bank deposits / bank balances / TDRs	24	6,455	24,021
Exchange gain earned from actual currency		Not Applicable	Not Applicable
Exchange gain earned using conventional derivative financial instruments		Not Applicable	Not Applicable
Profit paid on Islamic mode of financing		80,737,323	—
Total interest earned on any conventional loan or advance		Not Applicable	Not Applicable

36.1 Sources and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income is provided in note 24.

Relationship with Shariah-compliant financial institutions, including banks, takaful operator and their windows:

The Company has relationship with shariah compliant banks / banks having Islamic window of operations, takaful operators and carries out trade and other routine banking / takaful transactions with them as disclosed in relevant notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

37 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 11, 2026 by the Board of Directors of the Company.

38 RECLASSIFICATION OF ITEMS IN FINANCIAL STATEMENTS

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with the accounting and reporting standards as applicable in Pakistan. Presentation of the following corresponding figures of items in the financial statements have been reclassified for better presentation:

Reclassified from component:	Reclassified to component:	Rupees
Statement of cash flows - Payments for acquisition of property, plant and equipment	Statement of cash flows - Depreciation of property, plant and equipment	807,272

39 SUBSEQUENT EVENTS

The Company successfully commissioned the main 31.50 MW turbine of its captive hybrid power plant project and achieved its Commercial Operation Date (COD) following the successful completion of all requisite testing and commissioning activities and is ready for commercial billing with effect from August 31, 2026.

40 GENERAL

The figures have been rounded off to the nearest rupee.



Khurram Javaid
Chief Executive Officer / Director



Muhammad Zafar Iqbal
Chief Financial Officer



Jamshed Iqbal
Director

04

OTHER INFORMATION

- Pattern of Shareholding
- Notice of Annual General Meeting
- Statement of Material Facts as Required Under Section 134(3) of the Companies Act, 2017
- Form of Proxy
- پراکسی فارم

PATTERN OF SHAREHOLDING

(PURSUANT TO SECTION 227(2)(F) OF THE COMPANIES ACT, 2017 READ WITH REGULATION 30 OF THE COMPANIES REGULATIONS, 2024)

Pattern of holding of the shares held by the shareholders as at June 30, 2026

Name of company: **Mughal Energy Limited**

No. of ordinary shareholders	Ordinary shareholding (Shares)		Total ordinary shares held
	From	To	
91	1	100	1,750
25	101	500	9,064
9	501	1000	8,776
16	1001	5000	38,803
1	5001	10000	10,000
1	20001	25000	25,000
1	25001	30000	28,269
1	45001	50000	45,057
1	55001	60000	58,995
1	95001	100000	96,507
2	9540001	9545000	19,088,782
1	174690001	174695000	174,692,184
Total:			194,103,187

Categories of Ordinary Shareholders

	Ordinary shares held	Percentage
Directors, Chief Executive Officer, and their Spouse and Minor Children	162	0.00%
Associated Companies, Undertakings and Related Parties	174,692,187	90.00%
NIT and ICP	–	–
Banks, Development Financial Institutions, Non-Banking Financial Institutions	61,414	0.03%
Insurance Companies	–	–
Modarabas and Mutual Funds	–	–
Shareholders holding 10%	174,692,187	90.00%
General Public		
a Local	19,303,087	9.95%
b Foreign	–	–
Others	46,337	0.02%

No. of Class-B shareholders	Class-B shareholding (Shares)		Total Class-B shares held
	From	To	
1	22,570,000	22,575,000	22,570,055
Total:			22,570,055

Categories of Class - B Shareholders

	Class-B shares held	Percentage
Directors, Chief Executive Officer and their Spouse and Minor Children	–	–
Associated Companies, Undertakings and Related Parties	22,570,055	100.00%
NIT and ICP	–	–
Banks, Development Financial Institutions, Non-Banking Financial Institutions	–	–
Insurance Companies	–	–
Modarabas and Mutual Funds	–	–
Shareholders holding 10%	22,570,055	100.00%
General Public		
a Local	–	–
b Foreign	–	–
Others	–	–

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting (the Meeting) of the members (Ordinary and Class-B) of MUGHAL ENERGY LIMITED (the Company) will be held on Thursday, October 22, 2026 at 11:45 a.m. at Avari Hotel, 87-Shahrah-e-Quaid-e-Azam, Lahore, as well as through electronic means, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Directors' and Auditor's Reports thereon and Chairman's Review Report.

In accordance with section 223 of the Companies Act, 2017, and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, the Annual Audited Financial Statements along with Reports of the Company can be accessed through the following QR enabled code and weblink:



www.mughalenergy.com.pk

2. 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 fix their remuneration. The Board of Directors upon recommendation of the Audit Committee has recommended the name of M/s. Muniff Ziauddin & Company, Chartered Accountants, the retiring auditors, for re-appointment as external auditors of the Company after obtaining their consent.

SPECIAL BUSINESS

3. To consider and approve availing of funded/unfunded facilities from Mughal Iron & Steel Industries Limited (holding company), by passing of special resolutions as proposed in the statement under section 134(3) of the Companies Act, 2017 annexed to the notice of the Meeting.
4. To consider and approve alteration to the Memorandum and Articles of Association of the Company, so as to increase the Authorized Capital of the Company, by passing of special resolutions as proposed in the statement annexed to the notice of the Meeting.
5. To consider, approve and ratify the transactions already executed and to be executed with related parties, by passing of special resolutions as proposed in the statement under section 134(3) of the Companies Act, 2017 annexed to the notice of the Meeting.

Statement of material facts as required under section 134(3) of the Companies Act, 2017 is annexed.

Lahore: September 29, 2026

By Order of the Board
-sd-
Muhammad Fahad Hafeez
Company Secretary

NOTES:

1. CLOSURE OF SHARE TRANSFER BOOKS

The share transfer books of the Company will remain closed from October 13, 2026 to October 22, 2026 (both days inclusive). Physical transfers /Central Depository System (CDS) Transaction IDs received in order by the Company's share registrar, M/s. Digital Custodian Company Limited, 4th Floor, Perdesi House, Old Queens Road, Karachi, up to the close of business on October 12, 2026, will be considered in time for the entitlement of the members to participate and vote at the Meeting

2. PROXIES

A member of the Company entitled to participate and vote at this Meeting may appoint any other member of the Company as his/her proxy to participate, speak and vote on his/her behalf at the Meeting. A member shall not be entitled to appoint more than one proxy. The instrument appointing a proxy must be properly filled-in/ executed and in order to be valid, must be received at the share registrar office of the Company, not later than forty-eight (48) hours before the time scheduled for the Meeting. Attested copy of Computerized National Identity Card (CNIC) of the member appointing the proxy shall be attached with the instrument. A company or a corporation being a member of the Company may appoint a representative through a resolution of its board of directors for attending and voting at the Meeting. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are further advised to follow the guidelines as laid down by the SECP vide Circular No. 1 of 2000 for appointment of proxies. An instrument of proxy applicable for the Meeting is being provided with the notice being sent to members. Further, the instrument of proxy may also be obtained from the registered office of the Company during normal office hours or downloaded from the Company's website: www.mughalenergy.com.pk.

3. ATTENDANCE AT MEETING

Physical shareholders/CDC account holders and sub-account holders shall be required to

produce their respective original Computerized National Identity Card (CNIC) or original Passport at the time of attending the Meeting to facilitate identification. CDC account holders and sub-account holders should also bring/ know their respective participation I.D. No. and the CDC Account No. and in case of proxy, he/ she must enclose an attested copy of his/her CNIC or Passport. Representative(s) of corporate member(s) should bring attested copy of Board Resolution/Power of Attorney and/ or all such documents that are required for such purpose under Circular No.1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP").

4. ONLINE PARTICIPATION VIA ZOOM

Members or their proxies are being provided with the facility to participate in the meeting through electronic means via Zoom Video-Link. Interested members are requested to get themselves registered by sending the below mentioned particulars through their registered email address at the designated e-mail address fahadhafiez@mughalsteel.com, latest by the close of business hours (6:00 PM) on October 16, 2026:

Name of Member	CNIC No./ NTN No.	CDC Participant ID/Folio No.	Cell No	Registered email address

Members, who are registered, after the necessary verification, will be provided a Zoom Video-Link by the Company on the same e-mail address that they e-mail the Company with. Only those members whose names appear in the register of members as of October 12, 2026 will be entitled to participate in the Meeting via Zoom-Video Link.

5. VIDEO LINK FACILITY

Pursuant to section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least seven days prior to the

date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

6. POSTAL BALLOT FACILITY AND SCRUTINIZER

In accordance with the Companies (Postal Ballot) Regulations, 2018 (the Regulations), the right to vote through electronic voting facility and voting by post shall be provided to members of the Company in the manner and subject to conditions contained in the Regulations.

7. STATUTORY CODE OF CONDUCT AT GENERAL MEETINGS

Members are advised to adhere to the Code of Conduct as provided in section 215 of the Companies Act, 2017 and regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018. Members are further advised to take note of meeting etiquettes as prescribed in the Guidelines for Professional Conduct in General Meetings (the "Guide") issued by SECP.

8. GIFTS AT THE MEETING

As per SRO 452 (I)/2025 no gifts will be distributed at the meeting.

9. TRANSMISSION OF ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2026 along with the reports thereon on its website: www.mughalenergy.com.pk and the same have also been emailed to those members who had provided their email addresses. These are also available on PUCARS system of the Pakistan Stock Exchange Limited and can also be downloaded/viewed using the following QR code:



Any member requiring printed copy of Annual Report 2026 may send a request using a Standard Request Form placed on Company's website which shall be provided free of cost within seven (07) days.

The notice of Annual General Meeting containing QR enabled code and the weblink address to view and download the Annual Report including Annual Audited Financial Statements has been placed on Company's website: www.mughalenergy.com.pk and in addition to being dispatched physically to the members has also been sent via email to those members who had provided their email addresses. Furthermore, the notice has been published in English and Urdu languages in a daily newspaper of respective language having nationwide circulation.

10. GENERAL

Members holding shares in physical form are requested to promptly notify Company's share registrar of any change in their postal/email addresses. Members maintaining their shares in CDS should have their address/email addresses updated with their relevant Participant/CDC account services.

In reference to section 72(2) of the Companies Act, 2017, all members holding physical shares are requested to get converted their shares into book entry form at the earliest. This would facilitate shareholders in many ways including safe custody of shares, avoidance of formalities required for issuance of duplicate shares, etc. For the conversion of physical shares into book entry form, the members may contact their Brokers, CDC Participants or CDC Investor Account Service.

For any query/problem/information, the members may contact Mr. Zeeshan Ejaz at +92-42-35960841 and e-mail address: fahadhafeez@mughalsteel.com and/or M/s. Digital Custodian Company Limited, 4th Floor, Perdesi House, Old Queens Road, Karachi, e-mail address: share.registrar@digitalcustodian.com.

STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF SPECIAL BUSINESSES TO BE TRANSACTED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS APPENDED BELOW:

This statement sets out the material facts concerning the special business listed at agenda items 3 to 5, to be transacted at the forthcoming Annual General Meeting of the Company to be held on Thursday, October 22, 2026 at 11:45 a.m. at Avari Hotel, 87-Shahrah-e-Quaid-e-Azam, Lahore, as well as through electronic means.

AGENDA ITEM NO. 3.

In order to meet working capital requirements, post achieving commercial operations date (CoD), it has been proposed to avail advance/running facility from Mughal Iron & Steel Industries Limited (holding company) of Rs. 500.000 million.

Further, in order to avail working capital lines from lender, the Company is required to provide corporate guarantee of holding company for which it is proposed to obtain corporate guarantee limit of Rs. 3,000.000 million from the holding company, which shall be in addition to the corporate guarantee limit already provided by the holding company for obtaining long-term financing.

Detail, description, terms and conditions of the proposed transactions are as follows:

Facility	Detail, description, terms and conditions of the transaction	
Facility – a	Advance/running finance facility	
	Nature	Short-term funded facility
	Amount	Rs. 500.000 million
	Purpose	For meeting working capital requirements.
	Tenure	The advance/running finance facility shall be available for one year commencing from October 28, 2026 which may be utilised during the said period of one year as per the convenience of the Company. During the tenure of the facility, the Company shall draw down / repay the facility as per its convenience multiple times up to the maximum limit of Rs. 500.000 million.
	Pricing and repayment	Facility to be completely repaid within one year. Mark-up shall be charged at the rate of 3MK + 1.25% or at average borrowing cost of Mughal Iron & Steel Industries Limited (holding company), whichever is higher. Mark-up shall be recovered on quarterly basis within 15 days of the end of the quarter. Kibor will reset on quarterly basis. Non-payment of mark-up within stipulated time period shall entail a further mark-up/ penalty at the rate of 5% per annum on unpaid amount.
	Agreement	Agreement will be executed after approval of shareholders.
	Security	Unsecured
Facility – b	Corporate Guarantee	
	Nature	Short-term unfunded facility
	Amount	Up-to Rs. 3,000.000 million
	Purpose	To meet the security requirements of the lender and assisting the Company to obtain working capital financing.
	Tenure	The limit of Corporate Guarantee will be for a period of one year and shall be renewable in the next general meeting(s) for a further period of one year commencing from October 28, 2026.
	Pricing	Since this is a corporate guarantee, there is no cost to the Company, however, the Company will reimburse all allied charges, if any, in connection with the issuance of Corporate Guarantee to Mughal Iron & Steel Industries Limited (holding company).
	Agreement	Agreement will be executed after approval of shareholders.
	Security	Unsecured

These proposed transactions have been placed before the Audit Committee and upon recommendations of the Audit Committee have been proposed by the Board of Directors. Since majority of Company's directors are directly or indirectly interested in these transactions due to their common directorship and/or holding of shares, the quorum of directors could not be formed for approval of these transactions. Accordingly, these transactions are now being placed before the members for their approval by passing the following draft/ proposed special resolutions with or without modifications:

"RESOLVED that the consent and approval of the members of Mughal Energy Limited (the Company), be and is hereby accorded and the Company be and is hereby authorized to obtain advance/running finance facility of Rs. 500.000 million from Mughal Iron & Steel Industries Limited (holding company) as per terms and conditions stated in the table included in the statement of material facts in respect of agenda item no. 3."

"RESOLVED FURTHER that the consent and approval of the members of Mughal Energy Limited (the Company), be and is hereby accorded and the Company be and is hereby authorized to obtain corporate guarantee facility of Rs. 3,000.000 million from Mughal Iron & Steel Industries Limited (holding company) as per terms and conditions stated in the table included in the statement of material facts in respect of agenda item no. 3."

"RESOLVED FURTHER that any of the directors of the Company be and is hereby authorized singly to sign the agreement(s) on behalf of the Company."

"RESOLVED FURTHER that the company secretary and/or any of the directors of the Company be and is hereby authorized singly to take such steps and actions deemed necessary to give effect to the aforesaid resolutions."

The following directors/officers of the Company are interested directly/indirectly due to their common directorship, cross shareholding and common positions:

Directors

- | | |
|--------------------------------|-----------------------|
| 1. Mr. Mirza Javed Iqbal | 2. Mr. Khurram Javaid |
| 3. Mr. Muhammad Mateen Jamshed | 4. Mr. Jamshed Iqbal |
| 5. Mr. Muhammad Aslam Bhatti | |

Officers

- | | |
|-----------------------------|------------------------------|
| 1. Mr. Muhammad Zafar Iqbal | 2. Mr. Muhammad Fahad Hafeez |
|-----------------------------|------------------------------|

AGENDA ITEM NO. 4.

The reason for amendments in the Memorandum and Articles of Association of the Company is to increase the authorized share capital.

Accordingly, the Board of Directors of the Company have recommended to increase the Authorized Capital of the Company from Rs. 2,500,000,000/- (Rupees Twenty-Five Hundred Million) divided into 200,000,000 (Two Hundred Million) Ordinary shares of Rs. 10/- each, 27,429,945 (Twenty-Seven Million, Four Hundred, Twenty-Nine Thousand, Nine Hundred and Forty-Five) Series-A Preference shares of Rs. 10/- each and 22,570,055 (Twenty-Two Million, Five hundred, Seventy Thousand and Fifty-Five) Class B shares of Rs. 10/- each to Rs. 4,500,000,000/- (Rupees Forty-Five Hundred Million) divided into 400,000,000 (Four Hundred Million) Ordinary shares of Rs. 10/- each, 27,429,945 (Twenty-Seven Million, Four Hundred, Twenty-Nine Thousand, Nine Hundred and Forty-Five) Series-A Preference shares of Rs. 10/- each and 22,570,055 (Twenty-Two Million, Five hundred, Seventy Thousand and Fifty-Five) Class B shares of Rs. 10/- each.

Comparative analysis of existing and altered Authorized Capital and existing and altered clauses of the Memorandum and Articles of Association are as follows:

Existing authorized capital:	Revised authorized capital:
Rs. 2,500,000,000/- (Rupees Two Billion Five Hundred Million only), divided into 200,000,000 (Two Hundred Million only) Ordinary shares of Rs. 10/- each, 27,429,945 (Twenty-Seven Million, Four Hundred, Twenty-Nine Thousand, Nine Hundred and Forty-Five only) Series-A Preference shares of Rs. 10/- each and 22,570,055 (Twenty-Two Million, Five Hundred, Seventy Thousand and Fifty-Five only) Class B shares of Rs. 10/- each.	Rs. 4,500,000,000/- (Rupees Forty-Five Hundred Million) divided into 400,000,000 (Four Hundred Million) Ordinary Shares of Rs. 10/- each, 27,429,945 (Twenty-Seven Million, Four Hundred, Twenty-Nine Thousand, Nine Hundred and Forty-Five) Series-A Preference shares of Rs. 10/- each and 22,570,055 (Twenty-Two Million, Five hundred, Seventy Thousand and Fifty-Five) Class B shares of Rs. 10/- each.
Existing clause V of Memorandum of Association is as follows:	Revised clause V of Memorandum of Association is as follows:
V. The authorized capital of the Company is Rs. 2,500,000,000/- (Rupees Two Billion Five Hundred Million only), divided into 200,000,000 (Two Hundred Million only) Ordinary Shares of Rs. 10/- each, 27,429,945 (Twenty-Seven Million, Four Hundred Twenty-Nine Thousand, Nine Hundred and Forty-Five only) Series-A Preference Shares of Rs. 10/- each and 22,570,055 (Twenty-Two Million, Five Hundred Seventy Thousand and Fifty-Five only) Class B Shares of Rs. 10/- each, with the power to enhance, reduce or consolidate the share capital and to divide the shares of the Company into different classes and kinds subject to the provisions of the prevailing laws and regulations.	V. The Authorized Capital of the Company is Rs. 4,500,000,000/- (Rupees Forty-Five Hundred Million), divided into 400,000,000 (Four Hundred Million) Ordinary shares of Rs. 10/- each, 27,429,945 (Twenty-Seven Million, Four Hundred Twenty-Nine Thousand, Nine Hundred and Forty-Five) Series-A Preference Shares of Rs. 10/- each and 22,570,055 (Twenty-Two Million, Five Hundred Seventy Thousand and Fifty-Five) Class B Shares of Rs. 10/- each, with the power to enhance, reduce or consolidate the share capital and to divide the shares of the Company into different classes and kinds, subject to the provisions of the prevailing laws and regulations.
Existing Clause 6 of Articles of Association is as follows:	Revised Clause 6 of Articles of Association is as follows:
6. The authorized capital of the Company is Rs. 2,500,000,000/- (Rupees Two Billion Five Hundred Million only) divided into 200,000,000 (Two Hundred Million only) Ordinary Shares of Rs. 10/- each; 27,429,945 (Twenty-Seven Million, Four Hundred Twenty-Nine Thousand, Nine Hundred and Forty-Five only) Series-A Preference Shares of Rs. 10/- each; and 22,570,055 (Twenty-Two Million, Five Hundred Seventy Thousand and Fifty-Five only) Class B Shares of Rs. 10/- each, with the power to enhance, reduce or consolidate the share capital and to divide the shares of the Company into different classes and kinds subject to the provisions of the prevailing laws and regulations.	6. The Authorized Capital of the Company is Rs. 4,500,000,000/- (Rupees Forty-Five Hundred Million) divided into: 400,000,000 (Four Hundred Million) Ordinary Shares of Rs. 10/- each; 27,429,945 (Twenty-Seven Million, Four Hundred Twenty-Nine Thousand, Nine Hundred and Forty-Five) Series-A Preference Shares of Rs. 10/- each; and 22,570,055 (Twenty-Two Million, Five Hundred Seventy Thousand and Fifty-Five) Class B Shares of Rs. 10/- each, with the power to enhance, reduce or consolidate the share capital and to divide the shares of the Company into different classes and kinds, subject to the provisions of the prevailing laws and regulations.

The directors declare that the proposed alterations in the Memorandum of Association and Articles of Association of the Company are in line with the applicable provisions of the law and regulatory framework and

that the proposed changes will not be detrimental to the interest of the Company or its members as a whole. The directors are interested in this business to the extent of their respective shareholding in the Company.

Accordingly, approval of the members is sought for the alterations of Memorandum and Articles of Association, so as to increase the Authorized Capital of the Company by passing of the following draft/proposed resolutions as special resolutions, with or without modification:

“RESOLVED that the Authorized Capital of Mughal Energy Limited (the Company) be and is hereby increased from Rs. 2,500,000,000/- (Rupees Twenty-five hundred Million) divided into 200,000,000 (Two Hundred Million) Ordinary shares of Rs. 10/- each, 27,429,945 (Twenty-Seven Million, Four Hundred, Twenty-Nine Thousand, Nine Hundred and Forty-Five) Series-A Preference shares of Rs. 10/- each and 22,570,055 (Twenty-Two Million, Five Hundred, Seventy Thousand and Fifty-Five) Class B shares of Rs. 10/- each to Rs. 4,500,000,000/- (Rupees Forty-Five Hundred Million) divided into 400,000,000 (Four Hundred Million) Ordinary shares of Rs. 10/- each, 27,429,945 (Twenty-Seven Million, Four Hundred, Twenty-Nine Thousand, Nine Hundred and Forty-Five) Series-A Preference shares of Rs. 10/- each and 22,570,055 (Twenty-Two Million, Five hundred, Seventy Thousand and Fifty-Five) Class B shares of Rs. 10/- each.

“RESOLVED FURTHER that Clause V of the Memorandum of Association of the Company shall in its entirety be substituted to read as follows:

V. The Authorized Capital of the Company is Rs. 4,500,000,000/- (Rupees Forty-Five Hundred Million), divided into 400,000,000 (Four Hundred Million) Ordinary Shares of Rs. 10/- each, 27,429,945 (Twenty-Seven Million, Four Hundred Twenty-Nine Thousand, Nine Hundred and Forty-Five) Series-A Preference Shares of Rs. 10/- each and 22,570,055 (Twenty-Two Million, Five Hundred Seventy Thousand and Fifty-Five) Class B Shares of Rs. 10/- each, with the power to enhance, reduce or consolidate the share capital and to divide the shares of the Company into different classes and kinds, subject to the provisions of the prevailing laws and regulations.”

“RESOLVED FURTHER that Article 6 of the Articles of Association of the Company shall in its entirety be substituted to read as follows:

6. The Authorized Capital of the Company is Rs. 4,500,000,000/- (Rupees Forty-Five Hundred Million) divided into: 400,000,000 (Four Hundred Million) Ordinary Shares of Rs. 10/- each; 27,429,945 (Twenty-Seven Million, Four Hundred Twenty-Nine Thousand, Nine Hundred and Forty-Five) Series-A Preference Shares of Rs. 10/- each; and 22,570,055 (Twenty-Two Million, Five Hundred Seventy Thousand and Fifty-Five) Class B Shares of Rs. 10/- each, with the power to enhance, reduce or consolidate the share capital and to divide the shares of the Company into different classes and kinds, subject to the provisions of the prevailing laws and regulations.

“RESOLVED FURTHER that the company secretary and/or any of the directors of the Company be and is hereby authorized singly to take such steps and actions deemed necessary to give effect to the aforesaid resolution including but not limited to filing of Memorandum and Articles of Association so altered with the SECP in accordance with the requirements of Companies Act, 2017.”

“RESOLVED FURTHER that any amendments/suggestions recommended by Securities and Exchange Commission of Pakistan (SECP), if any, to be incorporated in the Memorandum and Articles of Association are and shall hereby be considered deemed approved.”

AGENDA ITEM NO. 5.

During the year, there were transactions entered into by the Company with related parties. However, since some or majority of Company's directors were directly or indirectly interested in these transactions due to their common directorship and/or holding of shares in the related parties, the quorum of directors could not be formed for approval of these transactions. All related party transactions are carried out at arm's length in

accordance with the Company policy and comply with legal requirements and are placed before the Audit Committee for recommendation.

Accordingly, these transactions, as disclosed in the relevant notes to the financial statements along with names, description, nature of relationship and amounts, are being placed before the members for their approval/ratification by passing the following draft/proposed special resolutions with or without modifications:

“RESOLVED that the transactions entered into by the Company with related parties during the year ended June 30, 2026 as disclosed in relevant notes to the financial statements in which some or majority of the directors are interested and which require approval u/s 207 and 208 of the Companies Act, 2017, are hereby ratified and confirmed.”

It is expected that the Company may be conducting related party transactions in the upcoming financial year as well, wherein, some or majority of directors are expected to be interested in due to their relationships, common directorship and shareholding in these related parties. The members are informed that it is not possible to make estimate of the quantum of related party transactions to be undertaken in the period ending June 30, 2027, which depends on case-to-case basis, however, the Company will present the actual figures for subsequent ratification and confirmation by the members, at the next Annual General Meeting.

Based on the above, approval of the members is also sought to authorize the Company to enter into such transactions with related parties during the ensuing year ending June 30, 2027 and further grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee by passing the following draft/proposed special resolutions with or without modifications:

“FURTHER RESOLVED that the Company be and is hereby authorized to enter into and carry out transactions from time to time with related parties which would require approval(s) u/s 207 and 208 of the Companies Act, 2017 during the ensuing year ending June 30, 2027. Further, the members have noted that for the aforesaid transactions some or a majority of the directors may be interested. Notwithstanding the interest of the directors, the members hereby grant an advance authorization to the Board Audit Committee and the Board of Directors of the Company to review and approve all related party transactions based on the recommendation of the Board Audit Committee.”

“FURTHER RESOLVED that the related party transactions as aforesaid for the period ended June 30, 2027 would subsequently be presented to the members at the next Annual General Meeting for ratification and confirmation.”

“RESOLVED FURTHER that the company secretary and/or any of the directors of the Company be and is hereby authorized singly to take such steps and actions deemed necessary to give effect to the aforesaid resolutions.”

The following persons were directors/officers of the Company during the year and are/may be interested directly/indirectly due to their relationships, common directorship, cross shareholding and common positions in respect of the above:

Directors

- | | |
|--------------------------------|------------------------------|
| 1. Mr. Mirza Javed Iqbal | 2. Mr. Khurram Javaid |
| 3. Mr. Muhammad Mateen Jamshed | 4. Mr. Jamshed Iqbal |
| 5. Mr. Fahad Javaid | 6. Mr. Muhammad Aslam Bhatti |

Officers

- | | |
|-----------------------------|------------------------------|
| 1. Mr. Muhammad Zafar Iqbal | 2. Mr. Muhammad Fahad Hafeez |
|-----------------------------|------------------------------|

MUGHAL ENERGY LIMITED

FORM OF PROXY

14th ANNUAL GENERAL MEETING

I/We _____, being member(s) of Mughal Energy Limited and holder of _____ Ordinary Shares as per Folio No. _____ CDC Participation ID # _____ and Sub Account # _____/CDC Investor Account ID # _____ and/or holder of _____ Ordinary Class-B shares as per Folio No. _____ CDC Participation ID # _____ and Sub Account # _____/CDC Investor Account ID # _____ do hereby appoint _____ of _____ or failing him/her _____ of _____ having Folio No. _____ CDC Participation ID # _____ and Sub Account # _____/CDC Investor Account ID # _____ as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of Mughal Energy Limited scheduled to be held on October 22, 2026 at 11:45 a.m. At Avari Hotel, 87-Shahrah-e-Quaid-e-Azam, Lahore and at any adjournment thereof.

At witness my/our hand this _____ day of _____ 2026.

1. Signature _____
Name _____
C.N.I.C _____
Address _____

Please
Affix Revenue
Stamps of Rs.
50/-

2. Signature _____
Name _____
C.N.I.C _____
Address _____

Members' Signature
(This Signature should agree with
the specimen signature with the
company)

Notes:

1. A member entitled to attend and vote at this meeting may appoint any other member as his / her proxy to attend, speak and vote instead of him / her. A proxy must be a member of the Company.
2. A member shall not be entitled to appoint more than one proxy.
3. The instrument appointing a proxy must be duly signed and witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
4. Attested copies of the CNIC or the Passport of beneficial owners and the proxy shall be furnished along with the proxy form. In case of corporate entity, the board's resolution/power of attorney with specimen signature shall be furnished along with the proxy form.
5. Proxies in order to be valid, must be received at the Share Registrar office of the Company, M/s. Digital Custodian Company Limited, 4th Floor, Perdesi House, Old Queens Road, Karachi not later than forty-eight (48) hours before the time scheduled for the meeting.

**Manager Share Registrar
(Mughal Energy Limited)**

M/s. Digital Custodian Company Limited

Perdesi House, 4th Floor, Old Queens Road,
Karachi, Pakistan

Tel: 021-32419770, 3243085

UAN: 0231-111-322-229

website: digitalcustodian.co

AFFIX
CORRECT
POSTAGE

مغل انرجی لمیٹڈ

پراکسی فارم (مختار نامہ)

چودھواں سالانہ اجلاس عام

میں/ہم _____ جو کہ مغل انرجی لمیٹڈ کے رکن (ارکان) ہیں اور _____ آرڈنری شیئرز کے حامل ہیں جیسا کہ ہمارے فوئیو نمبر _____ سی ڈی سی پارٹیشن آئی ڈی # _____ اور سب اکاؤنٹ # _____ / سی ڈی سی انوسیٹر اکاؤنٹ آئی ڈی نمبر _____ اور/یا _____ آرڈنری کلاس۔ بی شیئرز کے حامل ہیں جیسا کہ ہمارے فوئیو نمبر _____، سی ڈی سی پارٹیشن آئی ڈی # _____ اور سب اکاؤنٹ # _____ / سی ڈی سی انوسیٹر اکاؤنٹ آئی ڈی # _____ درج ہے، بذریعہ ہذا _____ محترم! _____ محترمہ _____ یا ان کی غیر موجودگی میں _____ جن کا فوئیو نمبر _____ سی ڈی سی پارٹیشن آئی ڈی نمبر _____ اور سب اکاؤنٹ # _____ / سی ڈی سی انوسیٹر اکاؤنٹ آئی ڈی # _____ ہے، کو میرا/ہمارا وکیل نامزد کرتا/کرتے ہیں تاکہ وہ میرے/ہمارے لیے مغل انرجی لمیٹڈ کی سالانہ جنرل میٹنگ، جو کہ 22 اکتوبر 2026 صبح 11:45 بجے آواری ہوئی، 87 شاہراہ قائد اعظم، لاہور میں منعقد ہو رہی ہے، اور اس کے کسی بھی التواء شدہ اجلاس میں میری/ہماری نمائندگی کرے، گفتگو کرے اور میرے/ہمارے حق میں ووٹ دے۔

میرے/ہمارے دستخط کے گواہ اس _____ دن _____ 2026۔

گواہان

1-

دستخط: _____

نام: _____

پتہ: _____

کمپیوٹر انزومی شناختی کارڈ نمبر: _____

2-

دستخط: _____

نام: _____

پتہ: _____

کمپیوٹر انزومی شناختی کارڈ نمبر: _____

50/- روپے کا رسیدی
ٹکٹ یہاں چسپاں کریں

دستخط رکن

کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

نوٹس:

- 1- اس اجلاس میں شرکت اور رائے دہی کا حق رکھنے والا کوئی بھی رکن کسی دوسرے رکن کو بطور وکیل (پراکسی) مقرر کر سکتا ہے تاکہ وہ اس کی جگہ اجلاس میں شریک ہو، بات کرے اور ووٹ دے۔ وکیل (پراکسی) کا کمپنی کا رکن ہونا ضروری ہے۔
- 2- ایک ممبر کو ایک سے زیادہ پراکسی مقرر کرنے کا اختیار نہیں ہوگا۔
- 3- پراکسی تقرری کے قواعد یعنی طور پر سٹیپ، دستخط شدہ اور دو لوگوں سے گواہ شدہ ہوں۔ جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں۔
- 4- مفاد یافتہ مالکان اور وکیل (پراکسی) کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ جمع کروانا ضروری ہیں۔ اگر کوئی کارپوریٹ ادارہ وکیل مقرر کرے تو پراکسی فارم کے ساتھ بورڈ کی قرارداد/مختار نامہ اور دستخط کا نمونہ بھی فراہم کرنا ہوگا۔
- 5- "پراکسی فارم کو درست تصور کرنے کے لیے لازم ہے کہ وہ اجلاس کے مقررہ وقت سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کے شیئرز رجسٹرار، مسٹرز ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ، چوتھی منزل، پردیسی ہاؤس، اولڈ کونز روڈ، کراچی کے دفتر میں موصول ہو جائے۔"

**Manager Share Registrar
(Mughal Energy Limited)**

M/s. Digital Custodian Company Limited

Perdesi House, 4th Floor, Old Queens Road,
Karachi, Pakistan

Tel: 021-32419770, 3243085

UAN: 0231-111-322-229

website: digitalcustodian.co

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