

GENCO HOLDING COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

ASSETS	Note	2025 Rupees	2024 Rupees
NON-CURRENT ASSETS			
Operating fixed assets	4	5,710,003	6,497,403
Intangibles assets	5	789,999	-
Right-of-use assets	6	44,258,554	26,807,786
Long term advances	7	396,420	572,311
Long term security deposit	8	831,690	831,690
Deferred tax asset	9	<u>2,140,852</u>	<u>1,999,246</u>
		54,127,518	36,708,436
CURRENT ASSETS			
Due from related parties	10	<u>19,798,560</u>	<u>1,191,126</u>
Advances and other receivables	11	<u>2,752,333</u>	<u>2,918,943</u>
Advance tax - net	12	<u>80,980,425</u>	<u>78,093,448</u>
Bank balances	13	<u>53,038,359</u>	<u>44,553,396</u>
		156,569,677	126,756,913
TOTAL ASSETS		<u>210,697,195</u>	<u>163,465,349</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10,000 (2024: 10,000) ordinary shares of Rupees 10 each		<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up share capital	14	100,000	100,000
Surplus of assets over liabilities	15	10,571,102	10,571,102
Revenue reserve - unappropriated profit		<u>37,435,481</u>	<u>26,975,812</u>
Total equity		48,106,583	37,646,914
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	16	<u>31,305,132</u>	<u>15,597,059</u>
Staff retirement benefit - gratuity	17	<u>7,411,255</u>	<u>4,894,459</u>
		38,716,387	20,491,518
CURRENT LIABILITIES			
Accrued and other payables	18	<u>26,990,648</u>	<u>26,179,567</u>
Due to related parties	19	<u>84,289,824</u>	<u>66,343,688</u>
Current portion of lease liabilities	16	<u>12,593,753</u>	<u>12,803,662</u>
		123,874,225	105,326,917
Total liabilities		162,590,612	125,818,435
CONTINGENCIES AND COMMITMENTS	20	-	-
TOTAL EQUITY AND LIABILITIES		<u>210,697,195</u>	<u>163,465,349</u>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

GENCO HOLDING COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Rupees	2024 Rupees
Revenue	21	222,490,607	244,355,895
Administrative and general expenses	22	(197,597,004)	(208,507,629)
		24,893,603	35,848,266
Other income	23	16,300,945	3,786,817
Profit from operations		41,194,548	39,635,083
Finance cost	24	(8,205,485)	(4,867,351)
Profit before taxation		32,989,063	34,767,732
Taxation	25	(22,160,128)	(31,936,576)
Profit after taxation		<u>10,828,935</u>	<u>2,831,156</u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

GENCO HOLDING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Share capital	Surplus of assets over liabilities	Revenue reserve - unappropriated profit	Total
 Rupees			
Balance as at 30 June 2023	100,000	10,571,102	24,350,922	35,022,024
Profit for the year	-	-	2,831,156	2,831,156
Other comprehensive loss for the year	-	-	(206,266)	(206,266)
Total comprehensive income for the year	-	-	2,624,890	2,624,890
Balance as at 30 June 2024	100,000	10,571,102	26,975,812	37,646,914
Profit for the year	-	-	10,828,935	10,828,935
Other comprehensive loss for the year	-	-	(369,266)	(369,266)
Total comprehensive income for the year	-	-	10,459,669	10,459,669
Balance as at 30 June 2025	100,000	10,571,102	37,435,481	48,106,583

The annexed notes form an integral part of these financial statements. *le*


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

GENCO HOLDING COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	Rupees	Rupees
PROFIT AFTER TAXATION	10,828,935	2,831,156
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	(520,093)	(290,516)
Related deferred income tax	150,827	84,250
	(369,266)	(206,266)
Items that may be reclassified subsequently to profit or loss		
Other comprehensive loss for the year	(369,266)	(206,266)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,459,669	2,624,890

The annexed notes form an integral part of these financial statements. *bc*


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

GENCO HOLDING COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		32,989,063	34,767,732
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets	22	1,155,774	1,176,986
Depreciation on right-of-use asset	22	18,992,645	15,083,775
Amortization	5	34,348	-
Profit on disposal of fixed assets	23	(4,041,650)	-
Finance cost	24	8,205,485	4,867,351
Provision for gratuity	17.4	1,996,703	1,442,860
Liabilities written off during the year	23	-	(2,091,878)
Cash flows from operating activities before working capital changes		<u>59,332,368</u>	<u>55,246,826</u>
Working capital changes:			
(Increase) / decrease in current assets:			
Due from related parties		(18,607,434)	30,386,657
Advances		166,610	438,828
Increase / (decrease) in current liabilities:			
Accrued and other payables		811,081	(17,695,338)
Due to related parties		17,946,136	22,075,552
		<u>316,393</u>	<u>35,205,699</u>
Cash generated from operations		<u>59,648,761</u>	<u>90,452,525</u>
Decrease in long term advances		175,891	1,614,567
Income tax paid	12	(25,037,884)	(30,862,246)
Finance cost paid		(696)	(4,800)
Net cash generated from operating activities		<u>34,786,072</u>	<u>61,200,046</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale proceeds from disposal of fixed assets		4,154,900	-
Capital expenditure on intangible assets	5	(824,347)	-
Capital expenditure on operating fixed assets	4	(481,624)	(634,780)
Net cash from / (used in) investing activities		<u>2,848,929</u>	<u>(634,780)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(29,150,038)	(23,652,253)
Net cash used in financing activities		<u>(29,150,038)</u>	<u>(23,652,253)</u>
Net increase in cash and cash equivalents		<u>8,484,963</u>	<u>36,913,013</u>
Cash and cash equivalents at the beginning of the year		<u>44,553,396</u>	<u>7,640,383</u>
Cash and cash equivalents at the end of the year	13	<u>53,038,359</u>	<u>44,553,396</u>

The annexed notes form an integral part of these financial statements. 


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

GENCO HOLDING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

1. THE COMPANY AND ITS OPERATIONS

1.1 GENCO Holding Company Limited (the Company) is a public limited company incorporated in Pakistan on 09 February 2012 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The main objective of the Company is to improve performance of public sector Thermal Generation Companies, which were created and incorporated through unbundling of Pakistan Water and Power Development Authority (WAPDA) pursuant to Power Sector Reforms of Government of Pakistan (Gop) in 1999, hereinafter referred as GENCOs, by consolidating control of GENCOs in a single entity so that better corporate management, improved financial control and forward thinking business planning could be brought into the GENCOs. The registered office of the Company is situated at first floor, Overseas Pakistanis Foundation Building, G-5/2, Islamabad and there is a liaison office at WAPDA House, Lahore.

1.2 The offices of General Manager Thermal Operations and General Manager Design & Development Thermal, which were initially established by WAPDA for operational management and development of new thermal power plants and after the unbundling of WAPDA by performing under the administrative control of the Power Planning and Monitoring Company (PPMC), previously known as Pakistan Electric Power Company (Private) Limited (PEPCO), have been transferred to the Company vide Ministry of Water and Power letter No. F.No.-A-III-1(253)/2012-CEO-GENCO dated 10 April 2012 along with the budget. During the year, the Company engaged a firm of chartered accountants to verify these balances.

ASSETS

	Rupees
Operating fixed assets – written down value	4,331,688
Receivable from GENCOs	127,404,018
Receivable from WAPDA welfare fund	1,672,144
Advances	5,971,044
Cash and bank balances	9,516,453
	<u>148,895,347</u>

LIABILITIES

Retention money	124,192
Payable to distribution companies (DISCOs)	2,570,435
Payable to Central Power Purchasing Agency of National Transmission & Despatch Company Limited (Treasury Office, CPPA of NTDCL)	123,878,556
Payable to WAPDA (note 19.2)	9,077,390
Payable to Director General Medical Services, WAPDA	2,673,672
	<u>138,324,245</u>

SURPLUS OF ASSETS OVER LIABILITIES

10,571,102

- 1.3** In 2017, the Board of Directors of the Company permitted the Company to act as Managing Agent of all GENCOs except GENCO IV through a resolution dated 12 April 2017 and authorized Chief Executive Officer to execute and deliver these agreements on the Company's behalf.

These agreements were effective from 13 April 2017 for the period of ten years, unless the Managing Agent resigns, after which it shall be removed therefrom by special resolution of the GENCOs.

The Company will be responsible to perform the following as a managing agent:

- To liaise with GoP, particularly MoWP on behalf of GENCOs and to take necessary steps for implementation of the GoP policies with regards to GENCOs;
- To act on behalf of GENCOs in all matters concerning the GENCOs relationship under any agreement or law with WAPDA, NTDCL, CPPA-G, DISCOs, IPPs and NEPRA on behalf of GENCOs;
- To manage the transfers and posting of GENCOs personnel including the transfers, secondment, or posting on deputation of personnel to or from the one GENCO to another or any other organization or department.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

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

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

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

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except for certain financial instruments which are carried at their fair values.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates

and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in the application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective items of operating fixed assets, with a corresponding effect on the depreciation charge and impairment.

Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provisions

As the actual outflows can differ from estimates made for provisions due to change in loss, regulations, public expectations, technology, process 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 recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Staff retirement benefit – gratuity

The Company operates unfunded gratuity scheme, for its contractual employees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in salary and the discount rates used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions. The figure of staff retirement benefit liability primarily represents the increase in actuarial present value of the obligations for benefits earned on employee service during the year and the interest on the obligations in respect of employee service in previous years.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2024:

- Amendments to IAS 1 'Presentation of Financial Statements' – Classification of liabilities as current or non-current;
- Amendments to IAS 1 'Presentation of Financial Statements' – Non-current liabilities with covenants;
- Amendments to IFRS 16 'Leases' – Lease liability in a sale and leaseback transaction; and
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures - Supplier finance arrangements'.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2025 or later periods:

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

As the Company is non-listed public interest company, therefore as per the order from Securities and Exchange Commission of Pakistan (SECP) dated 31 December 2024, the effective date of these two sustainability standards is for annual reporting periods beginning on or after 01 July 2027.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following standards relevant to the Company, as result of the IASB's annual improvements project:

- IFRS 7 Financial Instruments: Disclosures;
- IFRS 9 Financial Instruments; and
- IAS 7 Statement of Cash flows.

Classification and Measurements of Financial Instruments (Amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments') effective for annual periods beginning on or after 01 January 2026. These amendments address matters identified during the post - implementation review of the classification and measurement requirements of IFRS 9.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of

information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above standards and amendments are likely to have no significant impact on the financial statements apart from certain additional disclosures.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

h) Applicability of SOE Act, 2023

The Company, being a public sector company as defined in Section 2(54) of the Companies Act, 2017, falls within the scope of the State-Owned Enterprises (Governance and Operations) Act, 2023 ("SOE Act") under Section 3, which required all SOE's to prepare their financial statements following the requirement of International Financial Reporting Standards.

Section 25(2) of the SOE Act states:

"The financial statements must be prepared in accordance with International Financial Reporting Standards and the financial statements together with the notes to them must include all information that is necessary to ensure that the financial statements give a true and fair view of the financial position of the state-owned enterprise and the group consisting of the state-owned enterprise and its subsidiaries: Provided that where a state-owned enterprise is not following the International Financial Reporting Standards at the time of coming into effect of this Act, the Board shall ensure compliance with this provision within a period of three years from coming into effect of this Act."

Further, ICAP Circular No. 3/2025 issued pursuant to clarification from the Finance Division, Government of Pakistan confirms that this requirement applies to all public sector companies within the SOE Act's scope, and that "IFRS as notified by SECP" or the use of SECP-granted exemptions will not be permissible for financial statements issued after 30 January 2026.

2.2 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all 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 the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets 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 calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited 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.

2.3 Functional and presentation currency

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

2.4 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.5 Operating fixed assets and depreciation

Owned

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of operating fixed assets consists of historical cost and other directly attributable cost of bringing the asset to working condition.

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

Depreciation

Depreciation on operating fixed assets is charged to the statement of profit or loss applying the straight-line method so as to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates given in note 4. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are derecognized. The residual values and useful lives are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is derecognized.

2.6 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

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

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

Debt instruments

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

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

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

2.7 Financial liabilities – Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. 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 statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.8 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2.9 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the 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 it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.10 Due from related parties

Due from related parties are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less any allowance for expected credit losses. These generally do not include amounts over due by 365 days, except for receivables from Government. Securities and Exchange Commission of Pakistan (SECP) through SRO 67(I)/2023 dated 20 January 2023 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till financial year ending on or before 31 December 2025 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

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

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

against the provision. Subsequent recoveries of amounts previously written off are credited to the profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the profit or loss.

2.11 Trade and other payables

Liabilities for trade and other amounts payables are initially recognized at fair value, which is normally the transaction cost.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.13 Staff benefits

Gratuity

The Company operates an unfunded gratuity scheme covering all contractual employees who meet the criteria as per their terms of appointment. The liability of staff gratuity is based on actuarial valuation carried out as at 30 June 2025, using "Projected Unit Credit Method", related details of which are given in note 17 to the financial statements.

Pension and other post-retirement benefits

As per the decision of the Board of Directors in its 35th meeting dated 16 August 2018, all the permanent serving employees of the Company on their retirement will receive post-retirement benefits from the concerned GENCOs, as per their option. So, all the pension cases are to be processed, paid and incurred by the concerned GENCO.

General provident fund

For employees' provident fund, the Company makes deduction from salaries of the employees and remits these amounts to the fund established by WAPDA. The provident fund related disclosure required by the Companies Act, 2017 is not shown in these financial statements as employees' provident fund established by WAPDA includes the employees of other power distribution and generation companies and the figures related to the Company cannot be segregated from the whole employees' provident fund.

2.14 Revenue from contracts with customers

Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the

'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

Revenue from different sources is recognized as under:

- Management fee is recognized as income under the terms of agreements with GENCOs.
- Tendering and bidding fee are recognized on receipt basis.
- Profit on saving accounts is recognized on time basis taking into account the amounts outstanding and rates applicable thereon.

2.15 IFRS 16 "Leases"

Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use asset is depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liability.

The Company has elected not to recognize a 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. Lease payments on these assets are charged to income as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to the statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Share capital

Ordinary shares are classified as share capital.

3.2 Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

3.3 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in statement of profit or loss except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

3.4 Contingent assets

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 one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

3.5 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

3.6 Offsetting of financial instruments

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

4 OPERATING FIXED ASSETS

	Vehicles (note 4.2)	Furniture and fixtures	Office equipment	Computers	Total
 Rupees				
At 30 June 2023					
Cost	16,955,199	3,934,076	6,991,385	23,131,244	51,011,904
Accumulated depreciation	(16,090,276)	(2,995,165)	(4,367,720)	(20,519,134)	(43,972,295)
Net book value	<u>864,923</u>	<u>938,911</u>	<u>2,623,665</u>	<u>2,612,110</u>	<u>7,039,609</u>
Year ended 30 June 2024					
Opening net book value	864,923	938,911	2,623,665	2,612,110	7,039,609
Additions	-	-	68,780	566,000	634,780
Depreciation charge for the year (Note 22)	(17,163)	(169,028)	(399,988)	(590,807)	(1,176,986)
Closing net book value	<u>847,760</u>	<u>769,883</u>	<u>2,292,457</u>	<u>2,587,303</u>	<u>6,497,403</u>
At 30 June 2024					
Cost	16,955,199	3,934,076	7,060,165	23,697,244	51,646,684
Accumulated depreciation	(16,107,439)	(3,164,193)	(4,767,708)	(21,109,941)	(45,149,281)
Net book value	<u>847,760</u>	<u>769,883</u>	<u>2,292,457</u>	<u>2,587,303</u>	<u>6,497,403</u>
Year ended 30 June 2025					
Opening net book value	847,760	769,883	2,292,457	2,587,303	6,497,403
Additions	-	47,082	-	434,542	481,624
Disposal:					
Cost	(2,265,000)	-	-	-	(2,265,000)
Accumulated depreciation	2,151,750	-	-	-	2,151,750
	(113,250)	-	-	-	(113,250)
Depreciation charge for the year (Note 22)	-	(133,787)	(399,125)	(622,862)	(1,155,774)
Closing net book value	<u>734,510</u>	<u>683,178</u>	<u>1,893,332</u>	<u>2,398,983</u>	<u>5,710,003</u>
At 30 June 2025					
Cost	14,690,199	3,981,158	7,060,165	24,131,786	49,863,308
Accumulated depreciation	(13,955,689)	(3,297,980)	(5,166,833)	(21,732,803)	(44,153,305)
Net book value	<u>734,510</u>	<u>683,178</u>	<u>1,893,332</u>	<u>2,398,983</u>	<u>5,710,003</u>
Depreciation rate per annum (%)	20	10	10	25	

4.1 Operating fixed assets having cost of Rupees 41,264,556 (2024: Rupees 42,639,294) which are fully depreciated but still in the use of the Company.

4.2 The vehicles of the company are fully depreciated, and their net book value, amounting to 734,510 rupees, represents residual value.

5 INTANGIBLES ASSETS

		ERP-GL Module	NTC Communication Services	Total
	Note	Rupees		
At 30 June 2024				
Cost		-	-	-
Accumulated amortization		-	-	-
Net book value		-	-	-
Year ended 30 June 2025				
Opening net book value		-	-	-
Additions		471,429	352,918	824,347
Amortization charge	22	(19,643)	(14,705)	(34,348)
Closing net book value		451,786	338,213	789,999
As at 30 June 2025				
Cost		471,429	352,918	824,347
Accumulated amortization		(19,643)	(14,705)	(34,348)
Net book value		451,786	338,213	789,999
Amortization rate per annum (%)		10	10	

6 RIGHT-OF-USE ASSETS

	Note	2025 Rupees	2024 Rupees
Net carrying amount as at 01 July		26,807,786	25,271,762
Addition during the year	16.1	-	16,619,799
Adjustments during the year	6.2	36,443,413	
Depreciation	22	(18,992,645)	(15,083,775)
Net carrying amount as at 30 June		44,258,554	26,807,786
As at 30 June			
Cost		116,962,563	80,519,150
Accumulated depreciation		(72,704,009)	(53,711,364)
Net carrying amount		44,258,554	26,807,786

6.1 The Company obtained buildings on lease for office use. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are for 3 years.

6.2 This represents adjustment as a result of revision of the lease period from 3 to 6 years of one of the two leased buildings, i.e., the Evacuee Trust Complex.

7 LONG TERM ADVANCES

Secured - considered good

	Note	2025			2024
		Advances to employees			
		BPS-1 to BPS-15	BPS-16 and above	Total	
		Rupees			Rupees
House building / purchase of plot		520,385	39,778	560,163	721,634
Unwinding of discount	23	104,564	29,480	134,044	434,296
		624,949	69,258	694,207	1,155,930
Less: current portion of long term advances	11	(258,009)	(39,778)	(297,787)	(583,619)
		366,940	29,480	396,420	572,311

7.1 These represent advances given to employees for house building, purchase of plots and vehicles. The amount of advance being granted to employees from BPS-1 to BPS-15 is interest free but from BPS-16 and above, interest is charged equal to the profit rate applied on 'General Provident Fund', which is 12.46% (2024: 13.97%) per annum, except those who do not receive interest on General Provident Fund. The principal amount is recoverable in 120 equal monthly instalments and interest is recoverable at the time of final settlement of advances in one or more instalments, each such instalment being not appreciably greater than the instalments, by which the principal was recovered. These are secured against post retirement benefits. Accrued interest on advances from BPS -16 and above employees are not incorporated in these financial statements and these are not carried at amortized cost as required by IFRS 9 as the impact was considered immaterial and thus being carried at historical cost.

7.2 Fair values of long term advances to employees are estimated at the present value of all future cash flows discounted using General Provident Fund rate i.e 12.46% (2024: 13.97%) per annum.

8 LONG TERM SECURITY DEPOSIT

This represents interest free deposit against lease agreement for office use. It is not being carried at amortized cost as required by IFRS 9 as the impact was considered immaterial.

	NOTE	2025 Rupees	2024 Rupees
9 DEFERRED TAX ASSET			
This comprises of following:			
Deferred income tax liability on taxable temporary differences in respect of:			
Right-of-use asset		(12,834,981)	(7,774,258)
Deferred income tax asset on deductible temporary differences in respect of:			
Accelerated tax depreciation and amortization		95,893	117,902
Lease liabilities		12,730,676	8,236,209
Staff retirement benefit - gratuity		2,149,264	1,419,393
		<u>14,975,833</u>	<u>9,773,504</u>
		<u>2,140,852</u>	<u>1,999,246</u>
9.1 Movement in deferred income tax balance is as			
At beginning of the year		1,999,246	2,669,336
Recognized in statement of profit or loss:			
- Right-of-use asset		(5,060,723)	(445,447)
- Accelerated tax depreciation		(22,009)	(98,050)
- Lease liabilities		4,494,467	(629,272)
- Staff retirement benefit - gratuity		579,044	418,429
	25	(9,221)	(754,340)
Recognized in other comprehensive income - staff retirement benefit - gratuity		150,827	84,250
At the end of the year		<u>2,140,852</u>	<u>1,999,246</u>
10 DUE FROM RELATED PARTIES			
GENCOs	10.1	18,607,434	-
WAPDA Welfare Fund	10.2	255,126	255,126
National Transmission and Despatch Company Limited (NTDCL)	10.3	936,000	936,000
		<u>19,798,560</u>	<u>1,191,126</u>

10.1 It represents as under:

Description	2025				2024	
	Jamshoro Power Generation Company Limited (GENCO I)	Central Power Generation Company Limited (GENCO II)	Northern Power Generation Company Limited (GENCO III)	Total		
	NOTE	Rupees				
Balances as at 01 July		(3,791,905)	(42,456,703)	(9,971,407)	(56,220,015)	(6,403,764)
Funds received during the year		(39,092,780)	(90,921,492)	(129,136,335)	(259,150,607)	(344,141,647)
Management fee charged during the year	21	59,023,302	95,759,766	100,225,586	255,008,654	285,918,656
Payments and expenses incurred / adjusted by the GENCO's on behalf of the Company:						
- Salaries and other benefits		-	-	945,280	945,280	8,062,012
- Travelling		-	-	-	-	(134,840)
- Miscellaneous expenses		2,468,817	1,777,766	1,540,218	5,786,801	479,568
		<u>18,607,434</u>	<u>(35,840,663)</u>	<u>(36,396,658)</u>	<u>(53,629,887)</u>	<u>(56,220,015)</u>
As at 30 June:						
Due from	10	18,607,434	-	-	18,607,434	-
Due to	19	-	(35,840,663)	(36,396,658)	(72,237,321)	(56,220,015)
		<u>18,607,434</u>	<u>(35,840,663)</u>	<u>(36,396,658)</u>	<u>(53,629,887)</u>	<u>(56,220,015)</u>
The maximum aggregate amount outstanding at any time during the year calculated with reference to month end balances						
	2025	<u>36,178,840</u>	<u>57,393,354</u>	<u>52,730,999</u>		
	2024	<u>19,655,836</u>	<u>50,039,869</u>	<u>46,496,906</u>		

As at 30 June 2025, due from GENCOs is Rupees 18,116,531 (2024: Rupees Nil) were past due but not impaired. The ageing analysis of these balances is as follows:

	2025 Rupees	2024 Rupees
Upto 12 months	18,607,434	-
More than 1 year	-	-
	<u>18,607,434</u>	<u>-</u>

10.2 This represents amount paid to employees of the Company against welfare fund maintained by WAPDA. During the year, the Company paid Rupees 96,120 (2024: Rupees 327,840) and received Rupees 96,120 (2024: Rupees 150,000). The maximum aggregate amount outstanding at any time during the year calculated with reference to month end balances was amounting to Rupees 96,120 (2024: Rupees 2,284,200). Due from WAPDA Welfare Fund were past due but not impaired and the age analysis of this balance is as follows:

	2025 Rupees	2024 Rupees
Upto 12 months	127,840	127,840
More than 1 year	-	-
More than 2 years	127,286	-
More than 3 years	-	127,286
	<u>255,126</u>	<u>255,126</u>

10.3 It represent receivables against balances of advances upon transfer of employees from the Company. The maximum aggregate amount outstanding at any time during the year calculated with reference to month end balances is amounting to Rupees 936,000 (2024: Rupees 936,000). These balances were past due but not impaired and the age analysis is more than 6 years.

		2025 Rupees	2024 Rupees
11	ADVANCES AND OTHER RECEIVABLES		
	Unsecured - considered good		
	Advances to employees against expenses	200,000	545,440
	Advance to consultant against merger contract	-	1,652,826
	Current portion of long term advances	297,787	583,619
	Sales tax withheld	1,948,370	137,058
	Others	306,176	-
		<u>2,752,333</u>	<u>2,918,943</u>
12	ADVANCE TAX - NET		
	Balance as at 01 July	78,093,448	78,413,438
	Provision for the year	(22,150,907)	(31,182,236)
	Tax deducted at source during the year	25,037,884	30,862,246
	Balance as at 30 June	<u>80,980,425</u>	<u>78,093,448</u>
13	BANK BALANCES		
	Cash at bank:		
	- current accounts	188,611	189,307
	- saving accounts	52,849,748	44,364,089
		<u>53,038,359</u>	<u>44,553,396</u>
13.1	The balances in saving accounts carry rate of profit 7.81% (2024: 20.5%) per annum.		
14	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
	10,000 (2024: 10,000) ordinary shares of Rupees 10 each issued as fully paid in cash	<u>100,000</u>	<u>100,000</u>
14.1	These shares are held by the persons nominated by the Government of Pakistan.		
15	SURPLUS OF ASSETS OVER LIABILITIES		
	This represents surplus of assets over liabilities transferred from GM Thermal Office, PPMC as on 10 April 2012 as detailed in note 1.2.		
16	LEASE LIABILITIES		
	Total lease liabilities	43,898,885	28,400,721
	Current portion shown under current liabilities	(12,593,753)	(12,803,662)
		<u>31,305,132</u>	<u>15,597,059</u>
16.1	Reconciliation of lease liabilities		
	Opening balance	28,400,721	30,570,624
	Addition during the year	-	16,619,799
	Adjustment of lease liabilities	30,277,275	-
	Interest accrued on lease liabilities	8,204,789	4,862,551
	Payments made during the year	(22,983,900)	(23,652,253)
	Closing balance	<u>43,898,885</u>	<u>28,400,721</u>
	Current portion shown under current liabilities	(12,593,753)	(12,803,662)
	Non-current portion	<u>31,305,132</u>	<u>15,597,059</u>

	2025 Rupees	2024 Rupees
16.2 Maturity analysis of lease liabilities is as follows:		
Overdue	5,670,122	5,670,121
6-12 months	14,088,829	16,819,805
1-3 years	40,964,225	9,863,211
	<u>60,723,176</u>	<u>32,353,137</u>
Less: future finance cost	(16,824,291)	(3,952,416)
Present value of lease liabilities	<u>43,898,885</u>	<u>28,400,721</u>

16.3 Total cash outflow for leases is Rupees 29,150,038 (2023: Rupees 23,652,253).

16.4 Lease liabilities are effectively secured, as the right to the leased assets recognized in the financial statements revert to the lessor in the event of default.

17 STAFF RETIREMENT BENEFIT - GRATUITY

17.1 The latest actuarial valuation was carried out as at 30 June 2025 using the projected unit credit method. Details of obligations for defined benefit plan is as follows:

	NOTE	2025 Rupees	2024 Rupees
17.2 Statement of financial position			
Present value of defined benefit obligation	17.3	<u>7,411,255</u>	<u>4,894,459</u>
17.3 Movement in the present value of defined benefit obligation is as follows:			
Defined benefit obligation at beginning of the year		4,894,459	3,161,083
Current service cost		1,274,770	929,184
Interest cost		721,933	513,676
Experience adjustment		520,093	290,516
Defined benefit obligation at the end of the year		<u>7,411,255</u>	<u>4,894,459</u>
17.4 Charge for the year recognized in the statement of profit or loss:			
Current service cost		1,274,770	929,184
Interest cost		721,933	513,676
	22.1	<u>1,996,703</u>	<u>1,442,860</u>
17.5 Charge for the year recognized in the statement of comprehensive income:			
Experience adjustment		<u>520,093</u>	<u>290,516</u>

Rupees

17.6 Estimated expenses to be charged in the statement of profit or loss for the financial year 2026

Current service cost	1,532,405
Interest cost	689,544
	<u>2,221,949</u>

17.7 Actuarial assumptions

The following were the principal actuarial assumptions as at 30 June:

Assumptions to determine defined benefit obligation:

	2025	2024
Discount rate	11.75%	14.75%
Rate of salary increase	10.75%	13.75%

Assumptions to determine defined benefit cost:

	2025	2024
Discount rate	14.75%	16.25%
Rate of salary increase	13.75%	15.25%
Withdrawal rates	Age-Based	Age-Based
Expected mortality rate	SLIC 2001-2005	SLIC 2001-2005
Effective duration	7 years	8 years
Duration of obligation	Setback 1 year	Setback 1 year
Retirement assumptions	60 years	60 years
Withdrawal rates	Moderate	Moderate

17.8 Sensitivity analysis

The sensitivity analysis is prepared using same computation model and assumptions as used to determined defined benefit obligation based on projected credit unit method. The calculation of the defined benefit obligation is sensitive to assumption set out above. If the significant actuarial assumptions used to estimate the defined benefit obligations at the reporting date, had fluctuated by +1 bps with all other variables held constant, the present value of the defined benefit obligations as at 30 June 2025 would have been as follows:

	Impact on present value of defined benefit obligation	
	Increase	Decrease
 Rupees	
Discount rate + 1 %	6,914,513	8,015,281
Salary growth rate + 1 %	8,019,324	6,899,749

17.9 Expected maturity profile

Following are the expected distribution and timing of benefit payments at year end.

	Rupees
Year 1	3,085,589
Year 2	173,598
Year 3	163,608
Year 4	204,820
Year 5	177,198
Year 6-10	1,387,679

17.10 Risk associated with defined benefit plan

Discount rate risk

The risk of changes in discount rate will have an impact on the actuarial liability. Any increase in discount rate will reduce the liability and vice versa.

Mortality risk

Any reduction in the mortality rates being assumed will increase the liability.

Salary increase risk:

The increase in salary in the future years being higher than assumed will increase the liability.

Withdrawal risk:

Any differences in the assumed withdrawal rates will have a corresponding impact on the liability depending on the benefits payable on withdrawal.

	NOTE	2025 Rupees	2024 Rupees
18 ACCRUED AND OTHER PAYABLES			
Accrued expenses		1,355,110	756,719
Payable to Director General Medical Services, WAPDA	18.1	24,468,292	24,155,259
Auditor's remuneration		1,075,000	1,075,000
Payable to employees	18.2	45,103	192,589
Retention money		47,143	-
		<u>26,990,648</u>	<u>26,179,567</u>

18.1 It represents amount payable to Director General Medical Services (DG-MS), WAPDA in respect of medical facility availed by the employees of the Company. Movement in this balance is as under:

	NOTE	2025 Rupees	2024 Rupees
Balance as at 01 July		24,155,259	38,654,948
Additions during the year	22.1	3,209,333	2,896,300
Payments made during the year		(2,896,300)	(17,395,989)
Balance as at 30 June		<u>24,468,292</u>	<u>24,155,259</u>

18.2 It represents amount payable to employees against advance obtained from general provident fund maintained by WAPDA.

	NOTE	2025 Rupees	2024 Rupees
19 DUE TO RELATED PARTIES			
GENCOs	10.1	72,237,321	56,220,015
DISCOs	19.1	2,975,113	1,046,283
WAPDA	19.2	9,077,390	9,077,390
		<u>84,289,824</u>	<u>66,343,688</u>

19.1 This represents amount payable to following DISCOs in respect of free electricity units provided to the Company's employees:

	2025						2024	
	Lahore Electric Supply Company Limited (LESCO)	Faisalabad Electric Supply Company Limited (FESCO)	Islamabad Electric Supply Company Limited (IESCO)	Multan Electric Power Company Limited (MEPCO)	Hyderabad Electric Supply Company (HESCO)	Peshawar Electric Supply Company Limited (PESCO)		Total
	Rupees						Rupees	
Balance as at 1st July	661,895	19,120	363,268	-	-	-	1,046,283	2,073,247
Amount charged during the year	10,468,845	87,747	2,430,573	273,569	1,354,568	461,948	15,577,269	15,265,467
Adjustments made during the year	(10,335,932)	(81,807)	(2,602,566)	(100,126)	-	(348,948)	(13,648,439)	(16,292,431)
Balance as at 30 June	736,808	25,060	691,274	74,463	1,354,568	93,000	2,975,113	1,046,301

19.2 PAKISTAN WATER AND POWER DEVELOPMENT AUTHORITY (WAPDA)

It represents amount payable to WAPDA as net worth against excess of assets over liabilities transferred to GM Thermal Office, PPMC. Books of account of the Company are not in agreement with the records of WAPDA in respect of amount payable to WAPDA. There is a net difference of Rupees 501,665,480 between the amount claimed by WAPDA as per letter No. GMF (P)/MF (HQ)/8NKS/GIII/307-08 dated 15 August 2009 and the amount recorded in the books of the Company as at 30 June 2025. The difference detailed below constituted / include assets which are neither available nor verifiable. This matter has been discussed in the Public Accounts Committee (PAC) along with receivables of WAPDA from other formations. The PAC has issued directives to reconcile the matter with Power Division in a meeting at Departmental Accounts Committee (DAC) level including nominee from the concerned DG Audit under intimation to the PAC. The meeting at DAC level is still pending. Unless both the parties do not resolve these differences, the amount of liability recognized in the books cannot be adjusted.

	2025 Rupees	2024 Rupees
Reconciliation:		
Net worth claimed by WAPDA (Payable to WAPDA)	510,742,870	510,742,870
Less: Claims against assets / (liabilities) not acknowledged by the Company		
- Stores and spares of defunct projects	26,488,719	26,488,719
- Freehold land of Kot Addu	12,023,185	12,023,185
- Capital work in progress	318,860,818	318,860,818
- Advance to contractors of defunct projects	169,940,650	169,940,650
- Retention money on contractual payment of defunct projects	(21,491,211)	(21,491,211)
- Other liabilities of defunct projects	(4,156,681)	(4,156,681)
	<u>501,665,480</u>	<u>501,665,480</u>
Net amount payable as per the Company as at 30 June (note 1.2)	<u>9,077,390</u>	<u>9,077,390</u>

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

The recovery order u/s 161(1) of the Income Tax Ordinance, 2001 (the Ordinance) was issued creating tax demand of Rupees 19,707,666/- relevant to tax year 2017 and the said order was contested before the ADRC in CTO, Islamabad. As a result of these proceedings, the net tax liability was reduced to Rs. 4,006,419/- and charged default surcharge u/s 205 of the ordinance amounting to Rs. 3,802,696/-. Now the total withholding tax liability is outstanding amounting to Rs. 7,809,115/- against which the Writ Petition No. 2598/2025 has already been filed. It is expected that the Honorable Islamabad High Court will decide the matter in favor of the Company.

	2025 Rupees	2024 Rupees
20.2 Commitments		
Commitments against contract services	15,206,000	15,206,000

		2025 Rupees	2024 Rupees
21 REVENUE			
Revenue from contracts with customers			
- Management fee - gross		255,008,654	285,918,656
- Sales tax		(32,518,047)	(41,731,397)
		<u>222,490,607</u>	<u>244,187,259</u>

21.1 Revenue is recognized at a point in time as per the terms and conditions of underlying contracts with customers.

	NOTE	2025 Rupees	2024 Rupees
22 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and other benefits	22.1	147,563,799	154,669,985
Director's meeting fee		4,500,000	12,562,500
Travelling and conveyance		4,329,337	6,271,183
Repair and maintenance		2,776,390	1,553,482
Vehicle running expenses		7,950,702	7,054,601
Printing and stationery		1,128,310	1,457,730
Newspapers and periodicals		55,855	45,495
Rent, rates and taxes		152,364	755,730
Utilities		2,231,021	2,245,654
Depreciation	4	1,155,774	1,176,986
Ammortization	5	34,348	-
Depreciation on right-of-use asset	6	18,992,645	15,083,775
Postage, telephone and telegram		964,101	1,030,897
Entertainment		374,500	441,331
Insurance		96,770	148,423
Legal and professional		3,991,748	726,140
Advertisement		224,340	369,643
Receivables written off		-	1,839,074
Auditor's remuneration		1,075,000	1,075,000
		<u>197,597,004</u>	<u>208,507,629</u>

22.1 Salaries, allowances and other benefits include expenses related to gratuity and medical facility as disclosed in note 17.4 and 18.1, respectively. These also include expense related to free electricity amounting to Rupees 7,605,541 (2024: Rupees 5,419,993).

	NOTE	2025 Rupees	2024 Rupees
23 OTHER INCOME			
Income from financial assets			
Profit on saving accounts		11,428,654	1,260,643
Unwinding of advances	7	134,044	434,296
		<u>11,562,898</u>	<u>1,694,939</u>
Income from non-financial assets			
Liabilities written off during the year		-	2,091,878
Tendering and bidding fee		377,700	168,636
Gain on disposal of fixed Assets		4,041,650	-
Others		318,697	-
		<u>16,300,945</u>	<u>3,786,817</u>

24 FINANCE COST			
Interest on lease liabilities	16.1	8,204,789	4,862,551
Bank charges		696	4,800
		<u>8,205,485</u>	<u>4,867,351</u>

	NOTE	2025 Rupees	2024 Rupees
25 TAXATION			
Current tax:			
- Current year		25,816,880	31,043,283
- Prior year		(3,665,973)	138,953
	12	22,150,907	31,182,236
Deferred income tax:	9.1	9,221	754,340
		22,160,128	31,936,576
25.1 Reconciliation of tax charge for the year			
Profit before tax		32,989,063	34,767,732
Tax on profit @ 29% (2024: 29%)		9,566,828	10,082,642
Tax effect of permanent differences		(85,804)	(125,945)
Tax effect of minimum tax		17,549,997	21,840,926
Tax effect of prior year		(3,665,973)	138,953
Others		(1,204,920)	-
		22,160,128	31,936,576

26 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration to the Chief Executive Officer, directors and executives of the Company are given below:

	Chief Executive Officer		Directors		Executives	
	2025	2024	2025	2024	2025	2024
 Rupees Rupees Rupees	
Remuneration	-	24,000,000	-	-	45,922,942	21,874,815
Allowances	-	-	-	-	22,586,731	13,864,735
Meeting Fee	-	-	4,500,000	12,562,500	-	-
	-	24,000,000	4,500,000	12,562,500	68,509,673	35,739,550
Number of Persons	1	1	6	12	15	9

27 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Government of Pakistan and related entities under control of Government of Pakistan, including WAPDA, PPMC, GENCOs, DISCOs, directors of the Company and key management personnel. Detail of transactions with related parties have been disclosed in the relevant notes to these financial statements.

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

	Lease liabilities	
	2025	2024
	Rupees	
Balance as at 01 July	28,400,721	30,570,624
Addition during the year	-	16,619,799
Adjustment of lease liabilities	30,277,275	-
Interest accrued during the year	8,204,789	4,862,551
Repayment of lease liabilities	(22,983,900)	(23,652,253)
Balance as at 30 June	43,898,885	28,400,721

29 FINANCIAL RISK MANAGEMENT

29.1 Financial risk factors

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

Risk management is carried out by the Company's finance department under policies approved by the Board of directors. The Company's finance department evaluates and hedges financial risks. Board of directors provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to currency risk.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk.

(iii) Interest rate risk

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

The Company has no significant long-term interest bearing instruments.

Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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

	2025	2024
	Rupees	Rupees
Financial assets		
Fixed rate instruments		
Long term advances	396,420	1,155,930
Floating rate instruments		
Bank balances - saving accounts	52,849,748	44,364,089

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rate at the year end date fluctuates by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rupees 528,497 (2024: Rupees 443,641) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025	2024
	Rupees	Rupees
Long term advances	396,420	1,155,930
Long term security deposit	831,690	831,690
Due from related parties	19,798,560	1,191,126
Bank balances	53,038,359	44,553,395
	<u>74,065,029</u>	<u>47,732,142</u>

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

	Rating			2025	2024
	Short term	Long term	Agency	Rupees	Rupees
Banks					
United Bank Limited	A1+	AAA	VIS	8,886	8,886
National Bank of Pakistan	A1+	AAA	VIS	53,029,473	44,544,510
				<u>53,038,359</u>	<u>44,553,396</u>

After giving due consideration to the strong financial standing of the counter parties, management does not expect non-performance by these counter parties on their obligation to the Company. Accordingly the credit risk is minimal.

The Company has made advances to employees which are secured against employees' benefits and security deposit against lease agreement for office use. The management does not expect to incur material losses on such deposit and consider such amount is receivable upon termination of contract.

In addition to above, financial assets include due from related parties, these Companies are government owned and given a good credit rating and the balances are past due but not impaired. Management has assessed that there is no impairment loss in respect of these financial assets of the Company and these are recoverable in full.

(c) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient bank balances. At 30 June 2025, the Company had Rupees 53,038,359 (2024: Rupees 44,553,396) bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2025:

	Carrying amount	Contractual cash flow	Overdue	6-12 months	1-3 years
	----- Rupees -----				
Non-derivative financial liabilities					
Lease liabilities	43,898,885	60,723,176	5,670,122	14,088,829	40,964,225
Accrued and other payables	26,990,648	26,990,648	-	26,990,648	-
Due to related parties	12,052,503	12,052,503	-	12,052,503	-
	<u>82,942,036.0</u>	<u>99,766,327</u>	<u>5,670,122</u>	<u>53,131,980</u>	<u>40,964,225</u>

Contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	Contractual cash flow	Overdue	6-12 months	1-3 years
	----- Rupees -----				
Non-derivative financial liabilities					
Lease liabilities	28,400,721	32,353,137	5,670,121	16,819,805	9,863,211
Accrued and other payables	26,179,567	26,179,567	-	26,179,567	-
Due to related parties	10,123,673	10,123,673	-	10,123,673	-
	<u>64,703,961</u>	<u>68,656,377</u>	<u>5,670,121</u>	<u>53,123,045</u>	<u>9,863,211</u>

29.2 Financial instruments by categories

	At amortized cost 2025 Rupees
Assets as per statement of financial position	
Long term advances	396,420
Long term security deposit	831,690
Due from related parties	19,798,560
Bank balances	<u>53,038,359</u>
	<u>74,065,029</u>
Liabilities as per statement of financial position	
Lease liabilities	43,898,885
Accrued and other payables	26,990,648
Due to related parties	12,052,503
	<u>82,942,036</u>

29.3 Reconciliation to the line items presented in the statement of financial position is as follows:

2025			2024		
Financial assets	Non-financial assets	Total as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position

.....Rupees.....

Assets as per statement of financial position

Long term advances	694,207	-	694,207	1,155,930	-	1,155,930
Long term security deposit	831,690	-	831,690	831,690	-	831,690
Due from related parties	19,798,560	-	19,798,560	1,191,126	-	1,191,126
Advances and other receivables	75,960	2,378,586	2,454,546	-	2,335,324	2,335,324
Bank balances	53,038,359	-	53,038,359	44,553,396	-	44,553,396
	<u>74,438,776</u>	<u>2,378,586</u>	<u>76,817,362</u>	<u>47,732,142</u>	<u>2,335,324</u>	<u>50,067,466</u>

2025			2024		
Financial liabilities	Non-Financial liabilities	Total as per statement of financial position	Financial liabilities	Non-Financial liabilities	Total as per statement of financial position

.....Rupees.....

Liabilities as per statement of financial position

Lease liabilities	43,898,885	-	43,898,885	28,400,721	-	28,400,721
Accrued and other payables	26,990,648	-	26,990,648	26,179,567	-	26,179,567
Due to related parties	12,052,503	72,237,321	84,289,824	10,123,673	56,220,015	66,343,688
	<u>82,942,036</u>	<u>72,237,321</u>	<u>155,179,357</u>	<u>64,703,961</u>	<u>56,220,015</u>	<u>120,923,976</u>

29.4 Offsetting financial assets and liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable matter netting arrangements and similar agreements.

29.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to externally imposed capital requirement.

30 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

31 NUMBER OF EMPLOYEES

	2025	2024
Number of employees as on 30 June	35	48
Average number of employees during the year	42	52

32 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 13 OCT 2025 by the Board of Directors of the Company.

33 CORRESPONDING FIGURES

No significant rearrangements / reclassifications of corresponding figures have been made. *None*

34 GENERAL

Figures have been rounded off to nearest Rupee.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCE OFFICER