Riaz Ahmad & Company
Chartered Accountants

GUJRANWALA ELECTRIC POWER COMPANY LIMITED

FINANCIAL STATEMENTS SPECIAL AUDIT FOR THE PERIOD ENDED 31 MARCH 2026

A member of Nexia International

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Gujranwala Electric Power Company Limited

Opinion

We have audited the annexed special purpose financial statements of Gujranwala Electric Power Company Limited (the Company), which comprise the special purpose statement of financial position as at 31 March 2026, and the special purpose statement of profit or loss, the special purpose statement of comprehensive income, the special purpose statement of changes in equity, the special purpose statement of cash flows for the nine months then ended, and notes to the special purpose financial statements, including material accounting policy information and other explanatory information (here-in-after referred to as the financial statements).

In our opinion, the accompanying financial statements of the Company for the nine months period ended 31 March 2026 are prepared in all material respects, in accordance with the basis of preparation described in note 2.1 of the financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following matters:

(a) Note 2.1 of the financial statements which describes the basis of accounting. The financial statements are prepared by the management with reference to the Government of Pakistan (GoP) ongoing initiative for privatization of the Company. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Company and Privatization Commission (PC) and should not be distributed to or used by any parties other than the Company or PC.

(b) Note 26 of the financial statements, which describes various matters regarding tax contingencies the ultimate outcome of which cannot be presently determined hence no provision for the same has been made in accompanying financial statements.

Our opinion is not modified in respect of these matters.

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 basis of preparation described in note 2.1 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Islamabad

Date: 31 JUL 2026

GUJRANWALA ELECTRIC POWER COMPANY LIMITED
SPECIAL PURPOSE STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	200,938,999,037	118,620,271,199
Intangible asset under development	5	686,179,564	652,054,564
Long term loans	6	494,550,539	499,736,543
Deferred income tax asset	7	-	-
		202,119,729,140	119,772,062,306
CURRENT ASSETS			
Stores, spares and loose tools	8	13,753,586,724	8,331,374,984
Trade debts	9	44,804,755,413	46,474,073,828
Loans and advances	10	163,052,910	385,272,844
Receivable from Government of Pakistan	11	52,648,559,749	37,814,425,642
Advance taxation and levy	12	2,210,738,510	3,386,051,489
Other receivables	13	874,302,564	2,968,476,172
Short term investments	14	12,319,209,587	11,703,390,200
Bank balances	15	6,110,252,677	7,243,428,256
		132,884,458,134	118,306,493,415
TOTAL ASSETS		335,004,187,274	238,078,555,721
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000,000 (30 June 2025: 5,000,000,000) Ordinary shares of Rupees 10 each		50,000,000,000	50,000,000,000
Issued, subscribed and paid up share capital	16	3,018,646,801	3,018,646,801
Accumulated losses		(39,455,516,302)	(46,220,047,621)
Capital reserves			
Deposit for shares	17	44,010,493,867	28,812,919,271
Surplus on revaluation of freehold land		68,527,133,003	-
		112,537,626,870	28,812,919,271
TOTAL RESERVES		73,082,110,568	(17,407,128,350)
TOTAL EQUITY		76,100,757,369	(14,388,481,549)
NON-CURRENT LIABILITIES			
Long term loans	18	4,062,276,826	4,235,609,612
Long term security deposits	19	11,616,922,090	11,017,712,896
Staff retirement benefits	20	82,476,888,886	78,724,366,530
Deferred credits	21	45,747,003,750	41,390,104,541
		143,903,091,552	135,367,793,579
CURRENT LIABILITES			
Trade and other payables	22	98,519,667,115	92,106,389,640
Contract liabilities	23	1,090,028,495	888,031,429
Accrued markup	24	10,828,752,965	15,196,928,002
Sales tax payable	25	296,861,002	4,816,198,630
Current portion of long term loans	18	4,265,028,776	4,091,695,990
		115,000,338,353	117,099,243,691
TOTAL LIABILITIES		258,903,429,905	252,467,037,270
CONTINGENCIES AND COMMITMENTS	26	-	-
TOTAL EQUITY AND LIABILITIES		335,004,187,274	238,078,555,721

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

CHIEF EXECUTIVE OFFICER **DIRECTOR**

GUJRANWALA ELECTRIC POWER COMPANY LIMITED

SPECIAL PURPOSE STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED 31 MARCH 2026

	NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
SALE OF ELECTRICITY - NET	27	234,575,034,556	325,356,106,600
SUBSIDIES FROM THE GOVERNMENT OF PAKISTAN	28	28,330,412,910	37,427,183,495
		262,905,447,466	362,783,290,095
COST OF ELECTRICITY	29	(224,691,682,541)	(311,019,267,751)
GROSS PROFIT		38,213,764,925	51,764,022,344
AMORTIZATION OF DEFERRED CREDIT	21	1,666,248,725	1,870,283,555
		39,880,013,650	53,634,305,899
OPERATING EXPENSES:			
ADMINISTRATIVE EXPENSES	30	(7,061,815,855)	(9,854,097,021)
DISTRIBUTION COST	31	(23,178,783,666)	(27,784,523,654)
		(30,240,599,521)	(37,638,620,675)
PROFIT FROM OPERATIONS		9,639,414,129	15,995,685,224
OTHER INCOME	32	12,044,294,158	8,129,900,392
OTHER OPERATING EXPENSES	33	(2,378,844,552)	(2,396,570,674)
FINANCE COST	34	(2,263,685,814)	(3,062,818,417)
PROFIT BEFORE TAXATION AND LEVY		17,041,177,921	18,666,196,525
LEVY	35	(3,327,000,346)	(4,591,479,874)
PROFIT BEFORE TAXATION		13,714,177,575	14,074,716,651
TAXATION	36	(1,496,361,348)	(412,829,826)
PROFIT AFTER TAXATION		12,217,816,227	13,661,886,825

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

GUJRANWALA ELECTRIC POWER COMPANY LIMITED

SPECIAL PURPOSE STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2026

	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
PROFIT AFTER TAXATION	12,217,816,227	13,661,886,825
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	(5,453,284,908)	2,621,804,875
Surplus on revaluation of freehold land	68,527,133,003	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the period / year	63,073,848,095	2,621,804,875
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR	75,291,664,322	16,283,691,700

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

GUJRANWALA ELECTRIC POWER COMPANY LIMITED
SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2026

	SHARE CAPITAL	CAPITAL RESERVES		ACCUMULATED LOSS	TOTAL RESERVES	TOTAL EQUITY
		DEPOSIT FOR SHARES	SURPLUS ON REVALUATION OF FREEHOLD LAND			
	---------- Rupees ----------					
Balance as at 30 June 2024	10,000	25,684,491,166	-	(62,503,739,321)	(36,819,248,155)	(36,819,238,155)
Share capital issued against deposit for shares	3,018,636,801	(3,018,636,801)	-	-	(3,018,636,801)	-
Non-cash settlement against deposit for shares	-	6,147,064,906	-	-	6,147,064,906	6,147,064,906
Profit for the year	-	-	-	13,661,886,825	13,661,886,825	13,661,886,825
Other comprehensive income for the year	-	-	-	2,621,804,875	2,621,804,875	2,621,804,875
Total comprehensive income	-	-	-	16,283,691,700	16,283,691,700	16,283,691,700
Balance as at 30 June 2025	3,018,646,801	28,812,919,271	-	(46,220,047,621)	(14,388,491,549)	(14,388,481,549)
Non-cash settlement against deposit for shares	-	15,197,574,596	-	-	15,197,574,596	15,197,574,596
Profit for the period	-	-	-	12,217,816,227	12,217,816,227	12,217,816,227
Other comprehensive income for the period	-	-	68,527,133,003	(5,453,284,908)	63,073,848,095	63,073,848,095
Total comprehensive income	-	-	68,527,133,003	6,764,531,319	75,291,664,322	75,291,664,322
Balance as at 31 March 2026	3,018,646,801	44,010,493,867	68,527,133,003	(39,455,516,302)	76,100,747,369	76,100,757,369

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

GUJRANWALA ELECTRIC POWER COMPANY LIMITED

SPECIAL PURPOSE STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2026

	NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	7,588,276,891	32,887,868,224
Security deposits received - net		599,209,194	1,131,249,011
Receipts against deposit works - net		1,235,870,844	(947,910,036)
Payment of staff retirement benefits		(5,673,233,290)	(7,674,428,652)
Finance cost paid	34	(699,572)	(1,441,077)
Income tax paid		(3,648,048,715)	(8,360,896,774)
		(7,486,901,539)	(15,853,427,528)
Net cash generated from operations		101,375,352	17,034,440,696
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment - net	4.1	(17,547,076,980)	(30,896,225,095)
Additions in intangible asset under development		(34,125,000)	(50,901,889)
Additions in plan asset		(5,500,000,000)	(6,100,600,000)
Decrease / (increase) in long term loans - net		5,186,004	(43,801,733)
Capital contribution received against deposit works		6,023,147,934	9,063,661,175
Increase in short term investments - net		(615,819,387)	(254,547,949)
Interest income received	32	1,236,561,902	1,820,159,759
Net cash used in investing activities		(16,432,125,527)	(26,462,255,732)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from equity injection from GOP - net		15,197,574,596	6,147,064,906
Net cash from financing activities		15,197,574,596	6,147,064,906
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,133,175,579)	(3,280,750,130)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD / YEAR		7,243,428,256	10,524,178,386
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR	15	6,110,252,677	7,243,428,256

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

GUJRANWALA ELECTRIC POWER COMPANY LIMITED

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31 MARCH 2026

1. THE COMPANY AND ITS OPERATIONS

1.1 Gujranwala Electric Power Company Limited (the Company) is a public limited Company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company was established to take over all properties, rights, assets, obligations and liabilities of Gujranwala Area Electricity Board owned by Water and Power Development Authority (WAPDA), and such other assets and liabilities as agreed. The Company was incorporated on April 02, 1998 and commenced commercial operations on July 01, 1998. The principal activity of the Company is the distribution of electricity within defined geographical territory of Gujranwala, Sialkot, Narowal, Gujrat, Mandi Baha Uddin and Hafiz Abad. The registered office of the Company is situated at 565-A Model Town GT Road, Gujranwala.

1.2 The Company took over certain properties, assets, rights, obligations and liabilities relating to distribution of electricity from Pakistan Water and Power Development Authority (WAPDA) under Business Transfer Agreement (BTA) dated 29 June 1998. The details of assets, liabilities and related matters as provided under clause 1.1 of the BTA were finalized with WAPDA through a Supplementary Business Transfer Agreement (SBTA).

Head Office

The Head office of the Company is situated at 565-A, Model Town, G.T Road, Gujranwala.

1.3 The Council of Common Interest (CCI) in its meeting held on 12 September 1993 approved the privatization of thermal power generation units (GENCOs) and power distribution companies (DISCOs) in a phased program. Cabinet Committee on Privatization (CCOP) in its meeting held on 17 February 2009 approved privatization of certain GENCOs and DISCOs, this decision was ratified by Federal Cabinet in its meeting, held on 06 January 2010. President and Prime Minister of Pakistan also approved privatization of GENCOs and DISCOs including the Company during a presentation given to them by Ministry of Privatization on 22 November 2010. Decision of President and Prime Minister had also been subsequently ratified by the CCI during its meeting held on 28 April 2011.

Since October 2013, the CCOP approved 68 Public Sector Enterprises (PSEs) for inclusion in the privatization program. The Company had been approved by CCOP for early implementation. The Privatization Commission (PC) on behalf of the Government of Pakistan (GoP) invited Expression of Interest (EOI) from prospective private sector strategic partner(s) to acquire seventy-four percent (74%) shareholding in the Company, currently owned by the GoP, together with management control on 02 November 2015.

However, protests against privatization were started by the opposition parties and by labor unions. In order to give the union a chance to perform, the GoP has reconsidered the privatization mode of the power sector by shifting it from strategic sale to divestment through capital markets. CCOP in its meeting held on 14 July 2016 considered proposals regarding divestment of Power Sector Entities and PC to initiate process for listing of shares of the Company on the stock exchange through Initial Public Offering (IPO). It was also decided that GoP would retain the control of the Company as well as management.

The PC in its meeting held on 02 October 2017, had discussion on volume of circular debt and nature of losses being accrued in GENCOs and DISCOs and decided that the PC would seek approval of the Government to privatize the Company as strategic sale. In notification 12(03)/2023-CA-I dated 30 July 2024, the Ministry of Energy (Power Division) affirmed the Government's intention to privatize GENCOs and DISCOs as part of its ongoing energy sector privatization efforts and further in correspondence No. 14(11)/2018-DISCO-1 dated 28 August 2024, the Company along with Faisalabad Electric Supply Company Limited (FESCO) and Islamabad Electric Supply Company Limited (IESCO) were asked to compile preliminary information for privatization. Moreover the Company received directions from Ministry of Energy (Power Division) and PC through letters dated 17 June 2025, 19 June 2025 and 08 August 2025 with reference numbers 37(1)DISCOS/PS/PC/2020, 14(19)/2025-DISCO-III and 14(19)/2025-DISCO-III respectively, to complete the finalization and approval of audited financial statements for the year ended 2025 and complete other legal formalities by the end of August 2025 for continuation of privatization process.

In reference to the Government of Pakistan's (GoP) ongoing initiative for the privatization of the Company, the Company has been directed to finalize and obtain approval of its audited financial statements for the nine months period ending 31 March 2026, through letter dated 02 April 2026 with reference number 37(1)DISCOS/PS/PC/2020 within the stipulated timelines to facilitate the privatization process.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information 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 non-statutory special purpose financial statements (financial statements) have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan, except that the corresponding figures in the special purpose statement of profit or loss, the special purpose statement of comprehensive income, the special purpose statement of cash flows and the related notes to and forming part of the special purpose statements are for the year ended 30 June 2025 and, therefore are not entirely comparable. The accounting and reporting standards as 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.

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

These financial statements have been prepared by the management with reference to the Government of Pakistan's (GoP) ongoing initiative for the privatization of the Company. As a result, these financial statements may not be suitable for another purpose.

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of these 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:

Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments of property, plant, equipment and intangible assets

The Company reviews appropriateness of rates of depreciation, useful lives and residual values used in calculation of depreciation on items of property, plant and equipment on regular basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses technical resources available inside / outside the Company, as appropriate. Any change in these estimates in the future might affect the carrying amount of items of property, plant and equipment with a corresponding effect on the depreciation charge, impairment and amortization of deferred credit.

Provision for obsolescence of stores, spares and loose tools

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

Income tax and levy

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. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that future taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Allowance for expected credit losses

Financial assets due from public sector consumers and tariff differential claims

The Company assesses the recoverability of these financial assets if there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms. Judgment by the management is required in estimation of the amount and timing of future cash flows when determining the level of provision required and in determining the debts that are not recoverable and are to be written off.

Other financial assets

The Company uses default rates based on provision matrix for large portfolio of customers who have similar characteristics to calculate Expected Credit Loss (ECL) for trade debts.

The rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates which is then adjusted for forward looking information.

The assessment of the correlation between historically observed default rates and the forecast economic conditions and ECL are significant estimates. The amount of ECL is sensitive to changes in circumstances and forecasts of economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Revenue from contracts with customers involving sale of electricity

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised good and therefore the benefits of unimpeded access.

Staff retirement benefits

The Company operates funded pension scheme, free electricity scheme and free medical facility scheme for all its employees along with entitlement for accumulated compensated absences which are encashed at the time of retirement up to maximum limit of 365 days. The calculation of the benefits 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. The assumptions used for the plans are determined by independent actuary on annual basis. The amount of the expected return on plan assets is calculated using the expected rate of return for the year. Calculations are sensitive to changes in the underlying assumptions. The figure of staff retirement benefit liabilities 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, net of the respected return on plan assets.

Provisions

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 the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated and impairment losses are recognized in the statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Deferred credit

Amounts received from consumers and the Government as contributions towards the cost of extension of the distribution network and of providing service connections are deferred for amortization over the estimated useful lives of related assets except for separately identifiable services in which case revenue is recognized upfront upon establishing a connection network.

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.

Tariff adjustment determination

As per the mechanism laid out in the Multi Year Tariff (MYT) decision, the Company seeks adjustments for fuel price, cost of power purchase, operation and maintenance cost and unrecovered cost including non-recoverable dues written-off, as per NEPRA's determination on a monthly / quarterly / annual basis. The monthly / quarterly / annual determinations of the tariff adjustment are approved by NEPRA on a time to time basis, resulting in provisional amounts being recognized by the Company based on its judgments and interpretation of MYT decision, till the determination from NEPRA is received.

Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has the option, under its lease arrangements to lease the assets for additional terms. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., a change in business strategy). Any change is accounted for as a change in estimate and applied prospectively with corresponding change in the right-of- use assets and lease liabilities.

Revaluation of freehold land (Note 40)

d) Amendments to approved accounting standards that are effective in current period 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 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates

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 period but not relevant to the Company

There were 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) Standards, amendments and improvements 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 April 2026 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 guidelines from Securities and Exchange Commission of Pakistan (SECP) dated 11 December 2025, the effective date of these two sustainability standards is for annual reporting periods beginning on or after 01 July 2031.

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.

Amendment to IFRS 7 — 'Financial Instruments: Disclosures' and IFRS 9 — 'Financial Instruments – Classification and Measurement of Financial Instruments' (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 — 'Financial Instruments: Disclosures' and IFRS 9 — 'Financial Instruments – Contracts Referencing Nature dependent Electricity' (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

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, amendments and improvements are likely to have no significant impact on the financial statements apart from certain additional disclosures.

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

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 April 2026 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.

2.2 Staff retirement benefits

Defined benefit plans

The Company operates funded pension, post-retirement free electricity, medical benefits and compensated absences schemes for its employees. The Company's obligations under these schemes are determined by a qualified actuary using the Projected Unit Credit Actuarial Cost Method.

The latest actuarial valuation was carried out as at 31 March 2026. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense on the net defined benefit liability by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

General / Employees' Provident Fund and WAPDA Welfare Fund

For General / Employees' Provident Fund and WAPDA Welfare 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 General / 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 General / Employees' Provident Fund.

2.3 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. Except for the tax (minimum tax) levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as levy charged as income tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy 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.

2.4 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.

2.5 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.6 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.

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2.7 Property, plant, equipment and depreciation

Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses if any. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss.

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.

Increases in the carrying amounts arising on revaluation of freehold land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses the decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

During the current year, the Company has changed its accounting policy for measurement of freehold land from cost model to revaluation model. Freehold land is now stated at revalued amount less any identified impairment loss. Previously, freehold land was stated at cost less any identified impairment loss. The effect of revaluation of freehold land has been dealt with in accordance with the requirements of International Accounting Standard (IAS) 16 "Property, Plant and Equipment". Had there been no change in this accounting policy, property, plant and equipment would have been lower by Rupees 68,527.133 million. This change in accounting policy has not impact on profit or loss.

Depreciation

Depreciation on operating fixed assets is calculated by 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 4.1. 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 disposed of. Depreciation on operating fixed assets is charged to the statement of profit or loss except for depreciation provided on vehicles during the period of construction of operating fixed assets that is capitalized as part of the cost of operating fixed assets. The residual values and useful lives of assets 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 de-recognized 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 de-recognized.

Capital work-in-progress

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

2.8 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditure relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible asset under development is stated at cost less any recognized impairment loss.

2.9 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 de-recognition 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 de-recognized, 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 (FVTPL)

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.

2.10 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.

2.11 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balances, which is measured at 12-month ECLs.

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. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs.

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.12 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 de-recognized 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.

2.13 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 legal 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.

2.14 Stores, spare parts and loose tools

These are valued at the lower of cost or net realizable value. Cost is determined on a weighted average basis, comprising invoice values and the related charges that have been incurred in bringing the inventories to their present locations and condition. 100% provision is made for inactive stores and spares over 3 years.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to be incurred in order to make the sale.

2.15 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Securities and Exchange Commission of Pakistan (SECP) through SRO 1784(I)/2024 dated 4 November 2024 has notified that, in respect of companies holding financial assets due or ultimately due from the Government of Pakistan in respect of circular debt, the requirements contained in IFRS 9 "Financial Instruments" with respect to application of Expected Credit Losses (ECL) method shall not be applicable for the financial years ending or before 31 December 2025, provided that such companies shall follow relevant requirements of IAS 39 "Financial Instruments: Recognition and Measurement" in respect of above referred financial assets during the exemption period. 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.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.16 Deferred credit

Amounts received from consumers and Government as contributions towards the cost of extension of electricity distribution network and of providing service connections are deferred and amortized over the estimated useful lives of related assets except for separately identifiable services in which case revenue is recognized upfront upon establishing a connection network. Amortization of deferred credit commences upon completion of related work which is taken to the statement of profit or loss each year corresponding to the depreciation charge of relevant asset for the year.

2.17 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.18 Borrowing cost

Interest, mark-up and other charges on long term loans are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term loans. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.19 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.20 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.

2.21 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.22 Revenue recognition

Sale of electricity

Revenue from the sale of electricity is recognized on supply of electricity to consumers at the rates determined by NEPRA and notified by the Government of Pakistan in official gazette from time to time.

Tariff differential subsidy

Tariff differential subsidy on electricity announced by the Government of Pakistan for consumers is recognized under revenue on an accrual basis.

Rental and service income

Meter rentals are recognized on time proportion basis.

Rendering of services

Revenue from a contract to provide services is recognized over time as the services are rendered based on either a fixed price or hourly rate.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Late payment surcharge

Surcharge on late payment is accounted for after the due date of payment has passed.

Fuel price adjustment

Fuel price adjustment is recognized on the basis of rates notified by the NEPRA on accrual basis.

Gain on installation of new connections

Gain / loss on installation of new connections / deposit works is recognized up to 10% of variation between receipts against deposit works and actual expenditure incurred on the project.

Service charges on collection of Pakistan Television (PTV) license fee and electrical duty

Service charges on collection of PTV license fee and electrical duty is recognized on the basis of actual billing collections from consumers.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

2.23 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.24 Customer acquisition costs

Customer acquisition costs are capitalized as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed statement of profit or loss.

2.25 Customer fulfillment costs

Customer fulfillment costs are capitalized as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Branch that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfillment costs are amortized on a straight-line basis over the term of the contract.

2.26 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.27 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.28 Refund liabilities

Refund liabilities are recognized where the Branch receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Branch does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.29 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

2.30 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.

2.31 Government grants

Government grants are recognized when there is reasonable assurance that entity will comply with the conditions attached to it and grant will be received.

2.32 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.

2.33 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 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 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 less accumulated depreciation and accumulated impairment losses (if any).Cost comprises of 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 assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

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 statement of profit or loss 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.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right of use asset has been reduced to zero.

3.2 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

4 PROPERTY, PLANT AND EQUIPMENT

	NOTE	31 March 2026	30 June 2025
		Rupees	Rupees
Operating fixed assets	4.1	177,882,729,320	99,173,914,917
Capital work-in-progress	4.3	23,056,269,717	19,446,356,282
		200,938,999,037	118,620,271,199

4.1 Operating fixed assets

	Freehold land	Buildings on freehold land	Distribution equipment	Vehicles	Furniture and fixtures	Mobile plant and equipments	Total
	Rupees						
As at 30 June 2024							
Cost	518,344,497	2,689,625,622	100,946,023,183	2,054,608,927	50,255,433	726,984,688	106,985,842,350
Accumulated depreciation	-	(676,965,390)	(32,404,387,321)	(790,612,775)	(35,109,674)	(431,428,534)	(34,338,503,694)
Net book value	518,344,497	2,012,660,232	68,541,635,862	1,263,996,152	15,145,759	295,556,154	72,647,338,656
Year ended 30 June 2025							
Opening net book value	518,344,497	2,012,660,232	68,541,635,862	1,263,996,152	15,145,759	295,556,154	72,647,338,656
Additions	-	-	15,008,515,481	844,739,687	3,507,513	208,135,779	16,064,898,460
Transferred from capital work in progress (Note 4.3)	-	376,148,129	14,183,374,068	-	-	-	14,559,522,197
Depreciation charge	-	(53,613,180)	(3,795,341,970)	(191,479,474)	(2,919,302)	(54,490,470)	(4,097,844,396)
Closing net book value	518,344,497	2,335,195,181	93,938,183,441	1,917,256,365	15,733,970	449,201,463	99,173,914,917
As at 30 June 2025							
Cost	518,344,497	3,065,773,751	130,137,912,732	2,899,348,614	53,762,946	935,120,467	137,610,263,007
Accumulated depreciation	-	(730,578,570)	(36,199,729,291)	(982,092,249)	(38,028,976)	(485,919,004)	(38,436,348,090)
Net book value	518,344,497	2,335,195,181	93,938,183,441	1,917,256,365	15,733,970	449,201,463	99,173,914,917
Year ended 31 March 2026							
Opening net book value	518,344,497	2,335,195,181	93,938,183,441	1,917,256,365	15,733,970	449,201,463	99,173,914,917
Additions	-	-	-	423,654,359	1,252,110	16,858,837	441,765,306
Revaluation surplus	68,527,133,003	-	-	-	-	-	68,527,133,003
Transferred from capital work in progress (Note 4.3)	-	-	13,495,398,239	-	-	-	13,495,398,239
Depreciation charge	-	(45,375,869)	(3,473,787,586)	(183,024,955)	(1,972,185)	(51,321,550)	(3,755,482,145)
Closing net book value	69,045,477,500	2,289,819,312	103,959,794,094	2,157,885,769	15,013,895	414,738,750	177,882,729,320
As at 31 March 2026							
Cost / revalued amount	69,045,477,500	3,065,773,751	143,633,310,971	3,323,002,973	55,015,056	951,979,304	220,074,559,555
Accumulated depreciation	-	(775,954,439)	(39,673,516,877)	(1,165,117,204)	(40,001,161)	(537,240,554)	(42,191,830,235)
Net book value	69,045,477,500	2,289,819,312	103,959,794,094	2,157,885,769	15,013,895	414,738,750	177,882,729,320
Depreciation rate per annum	-	**2%**	**3.5%**	**10%-20%**	**10%**	**10%**	

4.1.1 Freehold land of the Company was revalued by an independent valuer F.K.S Building Services (Evaluators, Architects & Engineers) as at 16 January 2026. There has been no material change in the fair value of the land between the valuation date and the reporting date. Book value of freehold land on cost basis is Rupees 518.344 million (30 June 2025: Rupees 518.344 million) as on 31 March 2026. Had there been no revaluation, the value of freehold land would have been lower by Rupees 68,527.133 million. Forced sale value of freehold land of Company is Rupees 58,687.712 million.

4.1.2 Operating fixed assets having cost of Rupees 5,748.913 million (30 June 2025: Rupees 3,985.979 million) are fully depreciated but still in the use of the Company.

4.1.3 Distribution equipment includes cost of replaced meters amounting to Rupees 2,883 million (30 June 2025: Rupees 4,873 million).

4.1.4 The property and rights of above assets were transferred to the Company in accordance with terms and conditions of the Business Transfer Agreement between WAPDA and the Company. However, title of such freehold land measuring 683 kanal amounting to Rs. 71.312 million have not been transferred in the name of the Company in the Land Revenue Records.

4.1.5 On 11 January 2019, the Government of Pakistan through Power Holding (Private) Limited has arranged Shariah Compliant Islamic Finance Facility through issuance of Sukuk-1 to Meezan Bank Limited amounting to Rupees 200,000 million, for the period of 10 years to settle energy sector circular debts of all distribution companies (DISCOs). The facility is secured against land of all DISCOs. Under this arrangement, the Company holds the title of the land as Trustee on behalf of Sukuk certificate holder. The legal documents executed by the Company and the relevant counter parties reveal that the said assets have been leased out under Ijarah agreement to GOP with an undertaking to resell the assets to the Company at the end of Ijarah term. Although the legal documents have contemplated the overall arrangement on the model of Sukuk Ijarah, the management of the Company has exercised its judgement, that the said transaction is in substance, a financing arrangement and therefore has not given rise to any revenue on account of disposal. The management also determined that the Company could not derecognize the assets as the conditions to recognize revenue on sale of land have not been satisfied (based on the substance over form and the fact that proceeds of Sukuk Bonds had been retained by the PHPL and the repayment of Sukuk and Ijarah rentals are the responsibility of the Government of Pakistan). Additionally, according to the directives issued by the Government of Pakistan vide letter No. PF-05(06)/12 dated 11 January 2019, the said transaction neither involves any physical transfer of the underlying assets nor creates any financial implication for the Company. However, during the reporting period, the company successfully discharged all charges over the assets pledged as security for the Sukuk facility.

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
4.2	**Capital work in progress**			
	Distribution under civil works		882,764,207	344,646,279
	Works under:			
	- Own funds	4.2.1	9,900,778,000	7,663,767,686
	- Deposit works	4.2.2	4,922,916,132	4,032,564,958
	Stores held for capital expenditure	4.2.3	7,349,811,378	7,405,377,359
		4.3	23,056,269,717	19,446,356,282
4.2.1	**Breakup of distribution equipment (own funds) is as follows:**			
	Material		6,413,457,770	4,756,016,897
	Overheads		2,465,804,656	888,124,263
	Contract work		1,021,515,574	2,019,626,526
			9,900,778,000	7,663,767,686
4.2.2	**Breakup of distribution equipment (deposit works) is as follows:**			
	Material		3,623,038,130	2,911,155,365
	Overheads		1,066,761,398	290,508,351
	Labor		233,116,604	-
	Contract work		-	830,901,242
			4,922,916,132	4,032,564,958

4.2.3 These represent items of stores, spares and loose tools held for capitalization.

4.3	**Movement in capital work in progress**			
	Balance at beginning of the period / year		19,446,356,282	19,174,551,844
	Additions during the period / year		17,105,311,674	14,831,326,635
	Transfers to operating fixed assets during the period / year			
	- Buildings on freehold land		-	(376,148,129)
	- Distribution equipments		(13,495,398,239)	(14,183,374,068)
	Balance at end of the period / year	4.3.1	23,056,269,717	19,446,356,282

4.3.1 In 2024, NEPRA in its directive No. 17.1 (iv), directed to provide the IDC (Interest During Construction). In compliance, it is disclosed that the amount of IDC for the current period is Rupees Nil (30 June 2025: Rupees Nil)

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
4.4	**Depreciation charge for the period / year has been allocated as follows:**			
	Administrative expenses	30	225,328,929	245,870,664
	Distribution cost	31	3,530,153,218	3,851,973,732
			3,755,482,147	4,097,844,396
5	**INTANGIBLE ASSET UNDER DEVELOPMENT**			
	Balance as at 01 July		652,054,564	601,152,675
	Additions during the period / year		34,125,000	50,901,889
	Balance as at 31 March / 30 June	5.1	686,179,564	652,054,564

5.1 This represents expenditure incurred for Enterprise Resource Planning (ERP) system SAP, which is at the implementation phase.

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
6 LONG TERM LOANS			
Considered good - secured			
- House building / purchase of plots		493,272,732	479,871,908
- Vehicles		86,354,593	105,833,561
		579,627,325	585,705,469
Less: Current portion shown under current assets	10	(85,076,786)	(85,968,926)
		494,550,539	499,736,543

6.1 Loans for house building and purchase of plots are recoverable in 10 years, while loans for vehicles are recoverable in 5 years in accordance with the Company's policy. These loans are interest free for employees falling in grade 1 to 15. Remaining employees charged with the same rate as that payable on employees balances in the General Provident Fund. Loans are secured by way of a mortgage of immovable property and hypothecation of vehicles. Fair value adjustment as required by IFRS - 9 'Financial Instruments' is considered to be insignificant and hence, ignored.

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
7 DEFERRED INCOME TAX ASSET			
Deferred income tax	7.1	-	-
7.1 Deferred tax liability on taxable temporary differences arising in respect of:			
- Accelerated tax depreciation on fixed assets		4,137,240,489	1,915,849,119
Deferred tax asset on deductible temporary differences arising in respect of:			
- Allowance for expected credit losses		(1,730,184,112)	(1,300,421,381)
- Provision for WPPF		(3,183,885,269)	(2,644,575,426)
- Provision for staff retirement benefits		(23,918,297,777)	(22,830,066,294)
		(28,832,367,158)	(26,775,063,101)
Add: Deferred tax asset for tax losses and depreciation loss		(50,779,815,089)	(50,779,815,089)
Add: Deferred tax asset on tax credit under section 113 (ITO 2001)		(15,871,908,319)	(12,544,907,973)
		(66,651,723,408)	(63,324,723,062)
		(91,346,850,077)	(88,183,937,044)
Unrecognized deferred tax asset		91,346,850,077	88,183,937,044
		-	-

7.1.1 Owing to uncertainty relating to future taxable profits, against which the Company can utilize its tax losses and tax credits, the Company has not recognized deferred tax asset of Rupees 91,346.850 million (30 June 2025: Rupees 88,183.937 million). Expiry of aggregate tax losses and tax credit carried forward are as follows:

7.1.2

Expiry year	Nature	31 March 2026 Rupees	30 June 2025 Rupees
2026	Business loss	13,718,344,707	13,718,344,707
2027	Business loss	14,125,642,214	14,125,642,214
2028	Business loss	25,012,103,105	25,012,103,105
2029	Business loss	19,105,865,899	19,105,865,899
2030	Business loss	13,105,569,408	13,105,569,408
		85,067,525,333	85,067,525,333
2026	Minimum tax	3,812,785,653	3,812,785,653
2027	Minimum tax	4,197,331,194	4,197,331,194
2028	Minimum tax	7,861,791,472	4,534,791,126
		15,871,908,319	12,544,907,973
	Depreciation loss	90,035,285,320	90,035,285,320
		190,974,718,972	187,647,718,626

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
8 STORES, SPARES AND LOOSE TOOLS			
Distribution equipment		13,658,862,107	8,232,321,394
Grid station equipment		54,581,531	61,912,751
Office supplies		40,143,086	37,140,839
		13,753,586,724	8,331,374,984
9 TRADE DEBTS			
Billed			
- Private		30,286,226,459	36,653,383,680
- Government		6,669,497,965	4,990,580,318
		36,955,724,424	41,643,963,998
Unbilled:			
- Accrued revenue	9.2	18,863,295,226	9,236,928,751
- Spill over adjustment		5,645,362,667	10,215,637,108
		24,508,657,893	19,452,565,859
		61,464,382,317	61,096,529,857
Taxes / surcharges due from energy debtors		(10,693,474,794)	(10,138,244,370)
Less: Allowance for expected credit losses	9.3	(5,966,152,110)	(4,484,211,659)
		44,804,755,413	46,474,073,828

9.1 Trade debts are partially secured to the extent of corresponding consumers' security deposits. Trade debts as at the reporting date are classified into residential, commercial, industrial, agriculture, public lights, residential colonies and others.

9.2 Ministry of Energy, Government of Pakistan has allowed the following periodic adjustments to be billed / recovered / adjusted to the consumers. This includes positive impact of FPA Rupees 839 million (30 June 2025: Rupees 1,120 million), AQTA of Rupees 3,122 million (30 June 2025: Rupees 8,658 million) and positive impact of PYA 10,148 million (30 June 2025:Rupees 19,015 million).

31 March 2026

NEPRA notification	Nature	Date of NEPRA notification	GOP notification	Date of GOP Notification	Effective Date	Recoverability period	Amount (in Rupees)	Rate per Unit Rs.
TRF - 100/20884-87	1st QTR AQTA - 25-26	09 December 2025	S.R.O 2408(I)/2025	10 December 2025	01 December 2025	03 Months	2,821,000,000	1.494
TRF - 100/4582-85	2nd QTR AQTA - 25-26	03 March 2026	S.R.O 459(I)/2026	06 March 2026	01 March 2026	03 Months	4,683,000,000	1.774
TRF-620/GEPCO-Supply/2025/273-80	Prior Year Adjustment 25-26	07 January 2026	S.R.O 279(I)/2026	12 February 2026	01 July 2025	18 Months	32,546,000,000	2.890
							40,050,000,000	

30 June 2025

NEPRA notification	Nature	Date of NEPRA notification	GOP notification	Date of GOP Notification	Effective Date	Recoverability period	Amount (in Rupees)	Rate per Unit Rs.
TRF- 100/MFPA/18921-24	1st QTR AQTA - 24-25	05 December 2024	S.R.O 2050(I)/2024	11 December 2024	01 December 2024	01 Month	2,201,000,000	3.6710
TRF-100/MFPA/4587-90	2nd QTR AQTA - 24-25	27 March 2025	S.R.O 488(I)/2025	03 April 2024	01 April 2025	03 Months	(6,944,000,000)	(2.3091)
TRF-100/5808-11	3rd QTR AQTA - 24-25	09 May 2025	S.R.O 769(I)/2025	9 May 2025	01 May 2025	03 Months	(7,181,000,000)	(0.9399)
TRF-100/12380-83	4th QTR AQTA - 24-25	07 August 2025	S.R.O 1468(I)/2025	07 August 2025	01 August 2025	03 Months	(6,264,000,000)	(1.8868)
TRF-619 & 620/9281-87	Prior Year Adjustment 23-24	23 June 2024	S.R.O 1029(I)/2024 & S.R.O 1039(I)/ 2024	14 July 2024	01 July 2025	12 Months	19,015,000,000	0.2400
							827,000,000	

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
9.3	**Allowance for expected credit losses**			
	Opening balance		4,484,211,659	4,047,729,367
	Charge for the period / year	33	1,481,940,451	436,482,292
			5,966,152,110	4,484,211,659
10	**LOANS AND ADVANCES**			
	Short term advances - Considered good			
	Advance to employees against:			
	- Salaries		8,762,795	6,485,366
	- Expenses		27,055,782	27,017,493
			35,818,577	33,502,859
	Advance to suppliers / contractors		43,093,074	266,736,586
	Current portion of long term loans - secured	6	85,076,786	85,968,926
			163,988,437	386,208,371
	Less: Allowance for doubtful advances		(935,527)	(935,527)
			163,052,910	385,272,844
11	**RECEIVABLE FROM GOVERNMENT OF PAKISTAN**			
	From Federal Government			
	Tariff differential subsidy and AQTA - net	11.1	19,833,646,355	15,131,870,585
	Industrial support package	11.3	4,498,370,731	4,498,370,731
	Zero Rated Industrial Rebate	11.4	752,218,195	752,218,195
	Uniform Seasonal Price Subsidy	11.5	1,259,649,596	1,259,649,596
	Agricultural subsidy	11.6	65,501,252	65,501,252
	GST protected receivable from Government of Pakistan	11.7	644,402,337	644,402,337
	FPA Subsidy not charged (Nov-2019 to Jun-2020)	11.8	1,787,985,954	1,787,985,954
	Subsidy for Private Agricultural Tube Wells (Dec-2014 to Jul-2016)	11.9	745,449,914	745,449,914
	6 Paisa & 13 Paisa Subsidy (May-2003 to Jan-2007)	11.10	34,315,723	34,315,723
	FPA Agriculture Subsidy	11.11	137,805,515	137,805,515
	Fuel Price Adjustment subsidy (Aug-2011 to Jun-2012)	11.12	3,394,747,839	3,394,747,839
	AJK Subsidy Receivables from GOP	11.13	6,502,592,054	4,980,280,222
	Flood Relief Subsidy	11.14	8,610,043,505	-
			48,266,728,970	33,432,597,863
	From Provincial Government			
	Rupees 14 Per units subsidy receivable from Government of Punjab	11.15	2,198,154,126	2,198,154,126
	GST protected receivable from Government of Punjab	11.16	2,183,676,653	2,183,673,653
			4,381,830,779	4,381,827,779
			52,648,559,749	37,814,425,642

11.1 This represents tariff differential subsidy receivable from Government of Pakistan (GoP) as a difference between rates determined by NEPRA under different tariff determinations and rates notified by the GoP which are charged to the consumer.

This includes credit notes received from CPPA(G) against tariff differential subsidy and applicable quarterly adjustment claims presented by the Company in the Subsidy Claim Cell of the Ministry of Energy which once approved are adjusted vide said debit / credit notes against the payable to CPPA (G).

Reconciliation of these balances is as follows:	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Balance as at 01 July		15,131,870,585	8,967,608,474
Tariff differential subsidy (TDS) recognized during the period / year	28	26,531,775,331	36,836,480,357
Applicable quarterly tariff adjustment (AQTA)	28	1,798,637,579	590,703,138
Adjusted against:			
- Transferred to inter disco tariff realization surcharge		(23,628,637,140)	(31,262,921,384)
Balance as at 31 March / 30 June		19,833,646,355	15,131,870,585

11.2 Subsequent to the reporting date, credit notes amounting to Rupees 11,336.301 million was received in April and May 2026 against TDS & AQTA claims for January, February and March 2026 of Rupees 9,099.148 million TDS and Rupees 2,287.153 million AQTA. Consequently, the TDS balance of Rupees 19,833.646 million comprising Rupees 21,048.054 million TDS and negative Rupees 1,214.408 million AQTA has reduced to Rupees 8,447.345 million comprising Rupees 11,948.906 million TDS and negative Rupees 3,501.561 million AQTA.

11.3 Industrial support package subsidy relates to the rebate allowed to industrial consumers by GoP through letter no F-NO.PI-4(18) / 2014-15 dated 04 February 2016. The subsidy of Rupees 3 / Kwh / unit is being provided to industrial consumers on usage of electricity during peak hours, whereas subsidy for off peak hours usage was discontinued by GOP with effect from 01 July 2019 through letter no. PF-05/(02) 2012 dated 03 July 2019. This subsidy of Rupees 3/Kwh continued upto 31 October 2020. From 01 November 2020, Industrial support package subsidy was revised to Rupees 12.96 / Kwh which is supplemented by a further discount of Rupees 4.96 / Kwh on incremental sales from corresponding month of the preceding year.

Reconciliation of these balances is as follows:	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Opening balance		4,498,370,731	4,452,155,562
Adjustment	11.3.1	-	46,215,169
		4,498,370,731	4,498,370,731

11.3.1 This increase represents reconciling differences identified by GEPCO during reconciliation exercises carried out with the Subsidy Cell, Islamabad and CPPA-G, as part of the ongoing balance sheet cleanup under the privatization process.

11.4 This represents the dollar rate based tariff, introduced by the GoP vide its SRO 12 (1)/2019 for zero rated industrial consumers at the rate of 7.5 cent per unit, translated into Pak Rupee at rates prevailing at last working day of preceding month. GoP increased the rate to USD 9 cent per unit vide letter No.PF-5(02-ZRI)2020-21 dated 10 September 2021.

Reconciliation of these balances is as follows:	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Opening balance		752,218,195	748,111,231
Adjustment	11.4.1	-	4,106,964
		752,218,195	752,218,195

11.4.1 This increase represents reconciling differences identified by GEPCO during reconciliation exercises carried out with the Subsidy Cell, Islamabad and CPPA-G, as part of the ongoing balance sheet cleanup under the privatization process.

11.5 The GOP had introduced (through S.R.O. 1379 (1)/2019) Uniform Seasonal Pricing Structure for the period of November 2019 to February 2020. This was applicable on such consumers which had consumed incremental units as compared to corresponding months of preceding year.

11.6 This subsidy represents receivables against the 12.50% Agriculture Tubewell Subsidy (Government of Pakistan share), which has remained outstanding since 2010.

11.7 In line with Government policy (conveyed vide PEPCO Letter No. MD(PEPCO)/CFO(PEPCO)/274 dated 25 August 2010), domestic consumers (up to 100 units) and agricultural tube wells were exempted from GST. DISCOs, including GEPCO, continued depositing GST with FBR despite not recovering it from consumers and lodged subsidy claims with the Ministry. The balance represents receivables outstanding since 2012.

11.8 FPA for Nov 2019–Jun 2020 was not charged to consumers(COVID-19). The Ministry of Energy, vide letters dated 01 June 2023 & 12 June 2023, directed DISCOs to claim it from NEPRA as PYA. GEPCO included the claim in its MYT Petition FY 2024–25; however, NEPRA did not admit it, stating no FPA remains pending after notified decisions.

11.9 Pursuant to ECC's decision (MoW&P Letter No. 5/09/2014-PF dated 20 June 2014), Agricultural Tube wells were to be charged at a fixed subsidized tariff of Rupees 10.35 per unit instead of NEPRA's determined rate. The differential subsidy arising from this decision has remained outstanding since July 2016.

11.10 This represents the subsidy against discounted tariff of 6 paisa per unit to Domestic consumers and 13 paisa per unit to Agricultural consumers. The balance has remained outstanding since 2007.

11.11 This represents the subsidy notified vide Ministry of Water & Power Letter No. 05/06/2012-PF dated 30 October 2013, whereby Fuel Price Adjustment (FPA) charges on electricity consumption of private agricultural tube wells were to be borne by the Federal Government. The claim was not acknowledged by the Subsidy Cell earlier and remained unrecorded in the financial statements. However, during the recent reconciliation and balance sheet clean-up exercise, this receivable has been recognized.

11.12 FPA for Aug-11 to June-12 was not passed on to consumers (51-350 units) on the orders of high court. NEPRA advised to take subsidy claim submitted however not received. Also subsequently again claimed from NEPRA as PY but not accepted by NEPRA.

11.13 The outstanding amount represents the Federal Government's share of the AJK subsidy, receivable from the Government of Pakistan. GEPCO bills electricity sales to AJK consumers at NEPRA-approved rates; however, the Government of AJK makes payment at a concessional rate of Rupees 2.59 per unit. The differential is claimed from the Government of Pakistan, which settles it through issuance of credit notes via CPPA-G.

In accordance with the agreement executed between WAPDA, GOP and the Government of Azad Jammu and Kashmir (AJK), the tariff rate was fixed at Rupees 4.2 per unit with effect from September 2002. Out of this tariff rate, Rupees 0.71, Rupees 2.44 and Rupees 1.05 per unit were to be borne by WAPDA, the Government of AJK and GOP, respectively. Till March 2007, the Company billed electricity to the Government of AJK at the tariff rate as per the agreement and payments were cleared accordingly. Subsequent to March 2007, the electricity is billed to the Government of AJK at tariff rates notified by GOP after determination by NEPRA. The balance receivable from the Government of AJK represents the difference between rates applied on electricity bills to the Government of AJK based on tariffs notified by GOP after determination by NEPRA and the tariff approved by the Sub-Committee on raising of Mangla Dam project. The tariff determined by the Sub-Committee was Rupees 2.32 per unit, which was increased to Rupees 2.59 per unit subsequently. The Government of AJK is of the view that it does not fall under the purview of NEPRA and hence, it has been settling its dues at the tariff rates determined by Sub-Committee.

Reconciliation of these balances is as follows:	31 March 2026 Rupees	30 June 2025 Rupees
Balance as at 01 July	4,980,280,222	4,249,141,191
AJK Receivable from GoP accrued during the period / year	7,492,928,177	9,615,736,739
Adjusted against:		
- Credit notes received during the period / year	(5,970,616,345)	(8,884,597,708)
Balance as at 31 March / 30 June	6,502,592,054	4,980,280,222

Subsequent to the reporting date, credit notes amounting to Rupees 2,462,689 million was received in April and May 2026 against AJK claims for January, February and March 2026. Consequently, the AJK balance of Rupees 6,502.592 million has reduced to Rupees 4,039.903 million.

11.14 GEPCO has recognized a flood relief subsidy for the month of August 2025 in respect of electricity sales made to flood-affected consumers, in accordance with the directives of the Ministry of Energy (Power Division), Islamabad, communicated vide letter No. Tariff/FCA-2018-2019 dated 07 October 2025.

11.15 The Secretary Energy, Government of the Punjab, vide Letter No. SO/(Comp.)ED/Misc/2024 dated 16 August 2024, conveyed that targeted relief of Rupees 14 per unit (inclusive of taxes and duties) will be provided on electricity bills of domestic consumers with monthly consumption between 201 and 500 units for August and September 2024. The corresponding subsidy is receivable from the Government of Punjab.

Reconciliation of these balances is as follows:	31 March 2026 Rupees	30 June 2025 Rupees
Balance as at 01 July	2,198,154,126	-
Subsidy / Relief accrued during the period / year	-	11,011,154,126
Amount received from the Government of Punjab during the period / year	-	(8,813,000,000)
Balance as at 31 March / 30 June	2,198,154,126	2,198,154,126

11.16 The Ministry of Water & Power, vide Letter No. Agri 05/08/2012-PF dated 30 october 2013, granted exemption to private agricultural consumers by directing that GST would be borne by the Government of Punjab. The related subsidy has remained outstanding since February 2021 and is receivable from the Government of Punjab.

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
12 ADVANCE TAXATION AND LEVY			
Prepaid levy		7,034,100,203	8,390,361,189
Less: levy payable		(3,327,000,346)	(4,591,479,874)
		3,707,099,857	3,798,881,315
Provision for taxation - net	36	(1,496,361,348)	(412,829,826)
		2,210,738,510	3,386,051,489
13 OTHER RECEIVABLES			
Unsecured, considered good			
Receivable from associated companies / undertakings:			
- Free electricity	13.1	291,435,179	355,528,524
- Pension	13.1	230,185,008	1,769,120,957
- WAPDA Welfare Fund		-	355,610,969
Stores receivables from employees	13.3	46,299,524	53,119,307
Miscellaneous		306,382,853	435,096,415
		874,302,564	2,968,476,172

13.1 This represents the net amount receivable from following related parties on account of free electricity provided, pension paid and material supplied to the retired employees of these companies residing within the Company's territorial jurisdiction:

	Free electricity		Pension	
	31 March 2026	30 June 2025	31 March 2026	30 June 2025
	Rupees	Rupees	Rupees	Rupees
Water and Power Development Authority	157,043,553	201,685,180	-	-
National Transmission and Despatch Company Limited	41,678,484	52,926,442	36,718,156	36,874,653
Central Power Generation Company Limited (GENCO-II)	12,329,522	12,167,276	32,558,763	31,025,892
Lahore Electric Supply Company Limited	-	13,103,079	6,926,620	-
Hyderabad Electric Supply Company Limited	-	-	18,557,561	15,646,098
Islamabad Electric Supply Company Limited	-	-	19,719,079	6,935,241
Jamshoro Power Generation Company Limited (GENCO-I)	3,199,158	3,117,500	2,394,790	3,008,268
Lakhra Power Generation Company Limited (GENCO-IV)	675,355	675,355	921,150	921,150
Northern Power Generation Company Limited (GENCO-III)	73,102,513	68,926,316	30,993,642	23,081,515
Quetta Electric Supply Company Limited	2,653,903	2,093,609	18,504,340	15,985,227
Tribal Electric Supply Company Limited	589,902	236,066	-	-
Sukkhar Electric Power Company Limited (SEPCO)	162,789	597,702	3,179,494	2,439,789
Director Pension	-	-	-	1,590,968,554
Multan Electric Power Company Limited	-	-	32,587,450	17,115,171
Power Planning and Monitoring Company	-	-	27,123,963	25,119,400
	291,435,179	**355,528,524**	**230,185,008**	**1,769,120,957**

The maximum aggregate amount due from associated undertakings at the end of any month during the period / year was as follows:

	Free electricity		Pension	
	31 March 2026	30 June 2025	31 March 2026	30 June 2025
	Rupees	Rupees	Rupees	Rupees
WAPDA	201,685,180	201,685,180	-	-
National Transmission and Despatch Company Limited	73,102,513	146,516,202	36,874,533	320,214,387
Central Power Generation Company Limited (GENCO-II)	12,329,522	12,167,276	32,887,243	31,025,892
Lahore Electric Suply Company Limited	13,103,079	13,103,079	6,926,620	49,501,181
Hyderabad Electric Supply Company Limited	-	-	18,557,561	18,202,017
Islamabad Electric Supply Company Limited	52,584,749	52,584,749	19,719,079	328,545,302
Jamshoro Power Generation Company Limited (GENCO-I)	3,199,158	3,117,500	3,200,499	3,008,268
Lakhra Power Generation Company Limited (GENCO-IV)	675,355	675,355	921,150	921,150
Northern Power Generation Company Limited (GENCO-III)	73,102,513	68,926,316	33,192,857	26,870,583
Quetta Electric Supply Company Limited	2,653,903	14,554,806	18,504,340	36,294,403
Tribal Electric Supply Company Limited	589,902	1,363,283	-	-
Sukkhar Electric Power Company Limited (SEPCO)	358,105	597,702	3,179,494	5,869,982
Director Pension	-	-	1,590,968,553	1,800,836,980
Multan Electric Power Company Limited	-	-	32,587,450	85,233,922
Pakistan Electric Power Company	-	-	26,926,945	25,119,400

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
13.2	**Break up of Duties and taxes receivable but not realized is as follows**			
	- Receivables billed but not yet realized			
	10% Advance tax receivables domestic		465,447	470,251
	Electricity duty		409,008,133	389,271,470
	Equalization surcharge		18,002,746	31,605,138
	Extra tax receivables		1,366,401,896	1,272,798,735
	Financing cost surcharge		6,699,342,859	6,034,253,463
	Further tax receivables		328,258,694	294,547,211
	Sales tax receivables - steel melters		588,598,597	588,598,597
	Neelam jhelum surcharge		162,543,246	252,685,457
	PTV license fee		11,907,247	91,970,687
	Sales Tax receivable (2014) on retailers		125,042,178	120,586,474
	Tariff rationalization surcharge		441,672,614	441,701,689
	Tax receivable on steel melters (235-B)		21,076,310	20,416,790
	Income tax receivable - electricity bills		1,109,753,424	1,187,937,005
			11,282,073,391	10,726,842,967
	- Payables not yet realized			
	10% Advance tax receivables domestic		465,447	470,251
	Electricity duty		409,008,133	389,271,470
	Equalization surcharge		18,002,746	31,605,138
	Extra tax receivables		1,366,401,896	1,272,798,735
	Financing cost surcharge		6,699,342,859	6,034,253,463
	Further tax receivables		328,258,694	294,547,211
	Sales tax receivables - steel melters		588,598,597	588,598,597
	Neelam jhelum surcharge		162,543,245	252,685,458
	PTV license fee		11,907,250	91,970,687
	Sales tax receivable (2014) on Retailers		125,042,176	120,586,475
	Tariff rationalization surcharge		441,672,614	441,701,689
	Tax receivable on steel melters (235-B)		21,076,310	20,416,790
	Income tax not yet realized		1,109,753,424	1,187,937,003
			11,282,073,391	10,726,842,967
13.3	**Stores receivables from employees**			
	Stores receivable from employees		70,135,420	76,955,203
	Less: Provision for doubtful receivables		(23,835,896)	(23,835,896)
			46,299,524	53,119,307
14	**SHORT TERM INVESTMENTS**			
	At amortized cost - TDRs:			
	Term deposit receipts	14.1	12,250,000,000	11,285,000,000
	Add: Accrued markup		69,209,587	418,390,200
			12,319,209,587	11,703,390,200

14.1 These carry mark-up rate ranging from 7.00% to 11.85% (30 June 2025: 7.15% to 15.30%) per annum and are maturing within next twelve months. These are maintained with Allied Bank Limited, Askari Bank Limited, Habib Bank Limited, National Bank of Pakistan, Bank Al-Falah Limited and The Bank of Punjab. TDR includes Rupees 12,250 million (30 June 2025: Rupees 11,285 million) against security deposits, referred in note 19.

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
15	**BANK BALANCES**			
	Cash at banks in:			
	- Current accounts		1,912,262,754	1,595,179,701
	- Deposit accounts	15.1 & 15.2	4,197,989,923	5,648,248,555
			6,110,252,677	7,243,428,256

15.1 This includes an amount of Rupees 1,080.780 million (30 June 2025: Rupees 497.021 million) kept in separate bank accounts relating to customers' security deposits.

15.2 These carry mark-up ranging from 5.9% to 10.5% (30 June 2025: 9.5% to 19.32%) per annum.

16 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

31 March 2026	30 June 2025		31 March 2026 Rupees	30 June 2025 Rupees
---- Number of shares ----				
1,000	1,000	Ordinary shares of Rupees 10 each, issued for consideration in cash	10,000	10,000
301,863,680	301,863,680	Ordinary shares of Rupees 10 each fully paid issued for consideration other than in cash	3,018,636,801	3,018,636,801
301,864,680	301,864,680		3,018,646,801	3,018,646,801

16.1 Entire ordinary shares are held in the name of the President of Islamic Republic of Pakistan.

17 DEPOSIT FOR SHARES - Related parties	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
The Government of Pakistan	17.1	44,010,493,867	28,812,919,271
		44,010,493,867	28,812,919,271
17.1 The Government of Pakistan			
Balance at the beginning of the period / year		28,812,919,271	22,665,854,365
Re-allocation of GOP equity against liability due towards CPPA-G	17.2	15,197,574,596	6,147,064,906
		44,010,493,867	28,812,919,271

17.1.1 This amount is on account of credit notes issued by the CPPA-G against the clearance of circular debt by the GOP. The Finance Division of GOP vide its letter No F.1(5) CF-1/2012-13/1017 dated 02 July 2013 had transferred Rupees 341,960 million in Power Planning and Monitoring Company Limited (PPMC) account through State Bank of Pakistan on 27 June 2013 for settlement of power sector circular debt. PPMC on the basis of above letter had allocated Rupees 1,704,000 million to the Company against which CPPA-G issued a credit advice to the Company being the adjustment on account of GOP's Equity/ investment against settlement of power sector circular debt. However, Finance Division GOP vide its letter No. F.1(4)-CF.1/2015-16/443 dated 28 April, 2016 instructed PPMC to adjust the Tariff Differential Subsidy (TDS) receivable of respective distribution companies against GOP Equity / Share deposit money. Accordingly, CPPA-G had issued a debit note to the Company adjusting TDS receivable of Rupees 1,115 million against Government of Pakistan-Share Deposit Money.

17.1.2 The Finance Division of GOP vide Letter No. F.1 (17) CF-1/2011-12/948 dated 13 September, 2018 had released payment of Rupees 9,350 million to Power Holding (Private) Limited (PHPL) against markup payment on loan taken for settlement of power sector circular debt. Ministry of Energy on the basis of above letter, allocated Rupees 17.56 million to the Company against which CPPA-G issued debit note advice to the Company being the adjustment on account of GOP's equity / investment.

17.2 This represents credits of Rupees 15,197.575 million received by the Company which includes an amount of Rupees 11,569.084 million on account of share in GOP equity as per decision of ECC cabinet decision No.135/15/2025, Rupees 3,158.926 million on account of share in GOP as per decision of ECC cabinet decision no.221/29/2025, Rupees 214.593 million on account of GOP equity as per ECC of cabinet division No.299/38/2011, Rupees 189.536 million on account of GOP equity as per ECC of cabinet decision 299/38/2011, Rupees 65.437 million on account of GOP equity as per ECC of cabinet decision No.229/38/2011.

18 LONG TERM LOANS	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
From Government of Pakistan			
Asian Development Bank - Tranche I	18.1	336,408,042	336,408,042
Asian Development Bank - Tranche II	18.2	2,700,995,484	2,700,995,484
Asian Development Bank - Tranche III	18.3	747,259,507	747,259,507
Asian Development Bank - Tranche IV	18.4	893,779,972	893,779,972
Export Import Bank of Korea	18.5	3,648,862,597	3,648,862,597
		8,327,305,602	8,327,305,602
Overdue portion shown under current liabilities		(3,792,668,700)	(3,624,800,892)
Current portion shown under current liabilities		(472,360,076)	(466,895,098)
		(4,265,028,776)	(4,091,695,990)
		4,062,276,826	4,235,609,612

18.1 This represents re-lent portion of term finance facility – Tranche 1 obtained by GOP from Asian Development Bank (ADB) for power distribution and enhancement project which is secured against the guarantee by GOP. Pursuant to the letter referenced 6(9)ADB-4086 dated March 30, 2009 of Ministry of Economic Affairs and Statistics, out of total facility obtained by the GOP, US $ 11.37 million has been allocated to the Company. The facility carries interest at the rate of 17% per annum inclusive of relending interest of 11% and exchange risk cover at the rate of 6% per annum which shall be charged both on principal amount and interest amount separately. The repayment is to be made within maximum period of 15 years including a grace period of 2 years. Loan is repayable to GOP on the advice of Debt Management Wing of Economic Affairs Division of Pakistan.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 2,722.461 million against foreign re-lent loans. As a result, the Company adjusted over due principal and mark-up outstanding till 30 June 2018 amounting to Rupees 214.690 million and Rupees 273.730 million respectively against receivable from GoAJK.

18.2 This represents re-lent portion of term finance facility – Tranche 2 obtained by the GOP from Asian Development Bank (ADB) for power distribution and enhancement project which is secured against the guarantee by GOP. Pursuant to the letter number 1(3) ADB-II/06-A dated March 31, 2011 of Ministry of Economic Affairs and Statistics, out of the total facility obtained by the GOP, US $ 48.55 million was allocated to the Company which was reduced to US $ 36 million vide letter dated 26 March 2018. The facility carries interest at the rate of 15% per annum comprising of relending interest of 8.2% and exchange risk cover at the rate of 6.8% per annum which shall be charged both on principal amount and interest amount separately. The loan is repayable to the GOP on the advice of Debt Management Wing of Economic Affairs Division of Pakistan, within a period of 17 years starting from 30 May 2014.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 2,722.461 million against foreign re-lent loans. As a result, the Company adjusted over due principal and mark-up outstanding till 30 June 2018 amounting to Rupees 593.693 million and Rupees 1,334.086 million respectively against receivable from GoAJK.

18.3 This represents re-lent portion of term finance facility – Tranche 3 obtained by the GOP from Asian Development Bank (ADB) for power distribution and enhancement project which is secured against the guarantee by GOP. Pursuant to the letter number 2(9)ADB-II/12 dated December 31, 2013 of Ministry of Economic Affairs and Statistics, out of the total facility obtained by GOP, which is reallocated vide letter dated 12 August 2015 amounting to US $ 8.89 million to the Company. The facility carries interest at the rate of 15% per annum comprising of relending interest of 8.2% and exchange risk cover at the rate of 6.8% per annum which shall be charged both on principal amount and interest amount separately. The loan is repayable to the GOP on the advice of Debt Management Wing of Economic Affairs Division of Pakistan, within a period of 20 years starting from 30 May 2018.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 2,722.461 million against foreign re-lent loans. As a result, the Company adjusted over due principal and mark-up outstanding till 30 June 2018 amounting to Rupees 2.772 million and Rupees 54.997 million respectively against receivable from GoAJK.

18.4 This represents re-lent portion of term finance facility – Tranche 4 obtained by the GOP from Asian Development Bank (ADB) for power distribution and enhancement project which is secured against the guarantee by GOP. Pursuant to the letter number 2(18)ADB-II/13 dated 07 November 2014 of Ministry of Economic Affairs and Statistics, out of the total facility obtained by GOP, US $ 9.4 million was allocated to the Company which was reduced to US $ 8.7 million vide letter dated 26 August 2015. The facility carries interest at the rate of 15% per annum comprising of relending interest of 8.2% and exchange risk cover at the rate of 6.8% per annum which shall be charged both on principal amount and interest amount separately. The loan is repayable to the GOP on the advice of Debt Management Wing of Economic Affairs Division of Pakistan, within a period of 20 years starting from 30 May 2019.

Further, Finance Division vide its letter No. F.1(14)CF-1/2015-16/1290 dated 26 September 2019, allowed adjustment of GoAJK receivables amounting to Rupees 2,722.461 million against foreign re-lent loans. As a result, the Company adjusted over due mark-up outstanding till 30 June 2018 amounting to Rupees 248.494 million respectively against receivable from GoAJK.

18.5 This represents a re-lent portion of term finance facility obtained by GOP from Export Import Bank of Korea for rural distribution construction, which is secured against the guarantee by GOP. Pursuant to the Letter no. 2(18)ADB-II/13 dated November 7, 2014 of Ministry of Economic Affairs and Statistics, out of total facility obtained by the GOP, US $ 45 million were allocated to the Company. This facility carries interest rate of 15% inclusive of relending interest of 8.2% plus exchange risk cover fee of 6.8% which shall be charged both on principal amount and interest amount separately. Repayments are to be made within maximum period of 30 years starting from 15 August 2019.

18.6 PPMC (PEPCO) vide its letter no. DGCPCC/PEPCO/2152-63 dated 20 February 2017 directed the Company that the payment of debt service on account of Foreign Re-lent Loans may be withheld till the final decision on the matter that debt service by the WAPDA, GENCOs and DISCOs may be adjusted against their receivable from GOP. Resultantly, the Company did not make any payment in respect of Foreign Re-lent Loans.However, the Finance Division, Government of Pakistan in its letter vide F.I(14)CF-I/2015-16/1290 dated 26 September 2019 has advised the Company to make adjustment of Rupees 2,722.46 million (inclusive of principal, interest & exchange rate fee) relent loans against the outstanding balance of the Government of AJK in the year ended 30 June 2019 which had been made.

19 LONG TERM SECURITY DEPOSITS

These represent security deposits received from consumers at the time of installation of electricity connections and are refundable / adjustable on disconnection of electricity supply. Out of these, an amount of only Rupees 1080.780 million (30 June 2025: Rupees 487.89 million) has been kept in separate bank accounts and Rupees 12,250 million (30 June 2025: Rupees 11,285 million) in short term investments, which are made without written agreements.

20 STAFF RETIREMENT BENEFITS

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Provision for staff retirement benefits	20.1	82,229,364,149	78,560,508,333
Provision for gratuity – contractual employees		247,524,737	163,858,197
		82,476,888,886	78,724,366,530

		Pension obligations		Medical benefits		Free electricity		Compensated absences		Total	
		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
		Rupees									
20.1 The amounts recognized in the statement of financial position											
Present value of defined benefit obligations	20.2	103,484,827,711	95,384,931,351	13,390,324,485	12,357,480,095	10,218,985,712	8,129,338,387	3,973,246,314	3,713,306,040	131,067,384,222	119,585,055,873
Fair value of plan assets	20.3	(38,699,247,106)	(32,507,851,471)	(6,104,752,509)	(5,128,068,442)	(2,080,499,656)	(1,747,645,726)	(1,953,520,802)	(1,640,981,901)	(48,838,020,073)	(41,024,547,540)
	20.4	64,785,580,605	62,877,079,880	7,285,571,976	7,229,411,653	8,138,486,056	6,381,692,661	2,019,725,512	2,072,324,139	82,229,364,149	78,560,508,333
20.2 Changes in present value of defined benefit obligations											
Balance at the beginning of the period / year		95,384,931,351	92,251,749,648	12,357,480,095	10,900,677,825	8,129,338,387	5,565,629,420	3,713,306,040	4,023,199,093	119,585,055,873	112,741,255,986
Current service cost		1,213,183,231	1,907,142,809	189,017,027	268,896,165	129,244,613	191,667,972	6,775,858	8,569,191	1,538,220,729	2,376,276,137
Past service cost		-	(597,025,088)	-	-					-	(597,025,088)
Interest cost		8,713,998,091	12,451,452,666	1,137,985,841	1,488,985,999	751,341,366	760,444,172	341,840,881	545,682,996	10,945,166,179	15,246,565,833
Benefits paid during the period / year		(4,871,236,769)	(6,625,604,066)	(437,928,923)	(530,127,098)	(230,060,972)	(267,770,672)	(134,006,626)	(250,926,816)	(5,673,233,290)	(7,674,428,652)
Actuarial losses / (gain) on obligation		3,043,951,807	(4,002,784,618)	143,770,445	229,047,204	1,439,122,318	1,879,367,495	45,330,161	(613,218,424)	4,672,174,731	(2,507,588,343)
		103,484,827,711	95,384,931,351	13,390,324,485	12,357,480,095	10,218,985,712	8,129,338,387	3,973,246,314	3,713,306,040	131,067,384,222	119,585,055,873
20.3 Changes in the fair value of plan assets:											
Balance at the beginning of the period / year		32,507,851,471	23,451,676,327	5,128,068,442	3,699,469,385	1,747,645,726	1,260,779,167	1,640,981,901	1,183,830,203	41,024,547,540	29,595,755,082
Contributions - net		4,358,200,000	4,834,115,440	687,500,000	762,575,000	234,300,000	259,885,560	220,000,000	244,024,000	5,500,000,000	6,100,600,000
Return on plan assets		2,390,878,418	3,621,622,767	492,455,061	571,305,964	164,040,491	194,701,073	218,872,738	182,817,908	3,266,246,708	4,570,447,712
Actuarial (loss) / gain on plan assets		(557,682,783)	600,436,937	(203,270,994)	94,718,093	(65,486,561)	32,279,926	(126,333,837)	30,309,790	(952,774,175)	757,744,746
	20.3.1	38,699,247,106	32,507,851,471	6,104,752,509	5,128,068,442	2,080,499,656	1,747,645,726	1,953,520,802	1,640,981,901	48,838,020,073	41,024,547,540
20.3.1 Plan assets comprise of:											
Investment in TDRs		46,426,950,000	38,405,000,000								
Interest earned on TDR's		2,397,578,021	1,555,660,729								
Cash at bank and other assets		13,492,052	1,063,886,811								
		48,838,020,073	41,024,547,540								
20.4 Changes in the net liability at the end of the period / year:											
Balance at the beginning of the period / year		62,877,079,880	68,800,073,321	7,229,411,653	7,201,208,440	6,381,692,661	4,304,850,253	2,072,324,139	2,839,368,890	78,560,508,333	83,145,500,904
Current service cost		1,213,183,231	1,907,142,809	189,017,027	268,896,165	129,244,613	191,667,972	6,775,858	8,569,191	1,538,220,729	2,376,276,137
Past service cost	20.8	-	(597,025,088)	-	-	-	-	-	-	-	(597,025,088)
Interest cost		8,713,998,091	12,451,452,666	1,137,985,841	1,488,985,999	751,341,366	760,444,172	341,840,881	545,682,996	10,945,166,179	15,246,565,833
Interest income on plan assets		(2,390,878,418)	(3,621,622,767)	(492,455,061)	(571,305,964)	(164,040,491)	(194,701,073)	(218,872,738)	(182,817,908)	(3,266,246,708)	(4,570,447,712)
Benefits paid during the period / year		(4,871,236,769)	(6,625,604,066)	(437,928,923)	(530,127,098)	(230,060,972)	(267,770,672)	(134,006,626)	(250,926,816)	(5,673,233,290)	(7,674,428,652)
Actuarial losses / (gain) on obligation	20.6	3,601,634,590	(4,603,221,555)	347,041,439	134,329,111	1,504,608,879	1,847,087,569	171,663,998	(643,528,214)	5,624,948,906	(3,265,333,089)
Contributions made		(4,358,200,000)	(4,834,115,440)	(687,500,000)	(762,575,000)	(234,300,000)	(259,885,560)	(220,000,000)	(244,024,000)	(5,500,000,000)	(6,100,600,000)
Balance at the end of the period / year		64,785,580,605	62,877,079,880	7,285,571,976	7,229,411,653	8,138,486,056	6,381,692,661	2,019,725,512	2,072,324,139	82,229,364,149	78,560,508,333
20.5 Amounts recognized in the statement of profit or loss against defined benefit obligations are:											
Current service cost		1,213,183,231	1,907,142,809	189,017,027	268,896,165	129,244,613	191,667,972	6,775,858	8,569,191	1,538,220,729	2,376,276,137
Past service cost	20.8	-	(597,025,088)	-	-	-	-	-	-	-	(597,025,088)
Interest cost		8,713,998,091	12,451,452,666	1,137,985,841	1,488,985,999	751,341,366	760,444,172	341,840,881	545,682,996	10,945,166,179	15,246,565,833
Interest income on plan assets		(2,390,878,418)	(3,621,622,767)	(492,455,061)	(571,305,964)	(164,040,491)	(194,701,073)	(218,872,738)	(182,817,908)	(3,266,246,708)	(4,570,447,712)
Return on plan assets (excluding interest income)								126,333,837	(30,309,790)	126,333,837	(30,309,790)
Remeasurement gain / (loss)		-	-	-	-	-	-	45,330,161	(613,218,424)	45,330,161	(613,218,424)
		7,536,302,904	10,139,947,620	834,547,807	1,186,576,200	716,545,488	757,411,071	301,407,999	(272,093,935)	9,388,804,198	11,811,840,956
20.6 Remeasurements recognized in statement of comprehensive income:											
Actuarial (loss) / gain on obligations		(3,043,951,807)	4,002,784,618	(143,770,445)	(229,047,204)	(1,439,122,318)	(1,879,367,495)	-	-	(4,626,844,570)	1,894,369,919
Actuarial (loss) / gain on plan assets		(557,682,783)	600,436,937	(203,270,994)	94,718,093	(65,486,561)	32,279,926	-	-	(826,440,338)	727,434,956
Actuarial (loss) / gain recognized		(3,601,634,590)	4,603,221,555	(347,041,439)	(134,329,111)	(1,504,608,879)	(1,847,087,569)	-	-	(5,453,284,908)	2,621,804,875

	Pension obligations funded		Medical benefits-funded		Free electricity -funded		Compensated absences-funded	
	31 March 2026	30 June 2025	31 March 2026	30 June 2025	31 March 2026	30 June 2025	31 March 2026	30 June 2025
20.7 Significant actuarial assumptions at the reporting date are:								
Discount rate for PVDBO (per annum)	12.75%	12.50%	12.75%	12.50%	12.75%	12.50%	12.75%	12.50%
Profit rate for Planned asset (per annum)	12.50%	14.00%	12.50%	14.00%	12.50%	14.00%	12.50%	14.00%
Discount rate for profit or loss (per annum)	12.50%	14.00%	12.50%	14.00%	12.50%	14.00%	12.50%	14.00%
Salary increase rate for PVDBO (per annum)	11.75%	11.50%	-	-	-	-	11.75%	11.50%
Salary increase rate for profit or loss (per annum)	11.50%	13.00%	-	-	-	-	11.50%	13.00%
Pension indexation rate for PVDBO (per annum)	5.00%	4.50%	-	-	-	-	-	-
Pension indexation rate for profit or loss (per annum)	4.50%	6.00%	-	-	-	-	-	-
Medical Inflation rate for PVDBO (per annum)	-	-	12.75%	12.50%	-	-	-	-
Medical Inflation rate for profit or loss (per annum)	-	-	12.50%	14.00%	-	-	-	-
Electricity Inflation rate for PVDBO (per annum)	-	-	-	-	10.75%	10.50%	-	-
Electricity Inflation rate for profit or loss (per annum)	-	-	-	-	10.50%	13.00%	-	-
	31 March 2026	30 June 2025	31 March 2026	30 June 2025	31 March 2026	30 June 2025	2026	2025
Withdrawal rates	Low	Low	Low	Low	Low	Low	Low	Low
Mortality rate	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005
Normal retirement age (years)	60	60	60	60	60	60	60	60
Effective duration of plan (years)	9	12	14	14	14	10	11	12
Expected charge to the statement of profit or loss for the next financial year (Rupees)	10,613,859,231	9,175,080,411	1,317,892,813	1,108,038,221	1,289,465,158	953,794,885	303,457,682	252,823,494

20.8 It represents adjustment in pension plan in accordance with the notification F. No. 9(30) R-6/2024-264 dated 10 September 2024 where it was notified that the family pension will be payable to the spouse for life or re-marriage and for dependents, it will be restricted to 10 years. Where none of the above conditions apply, the pension will continue for life or until remarriage. In the case of multiple widows, the pension will be equally divided.

		31 March 2026	30 June 2025
20.9	**Demographic assumptions**		
	Mortality rate	SLIC 2001-05	SLIC 2001-05
	Withdrawal Rate	Age dependent	Age dependent

(a) Risks associated with defined benefit plans

Discount rate risk:

The plan exposes the Company to the risk of fall in discount rate. A fall in discount rate will result in an increase in the liability of defined benefit scheme.

Investment risks:

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

Longevity risks:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal and mortality risk:

The risk of actual withdrawals and mortality varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

(b) Sensitivity analysis

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method i.e. present value of defined benefit obligation calculated using Projected Unit Credit Method has been applied.

The impact of one percent movement in the assumptions used in determining retirement benefit obligations would have had the following effects on the 30 June 2026 actuarial valuation:

	Present value of defined benefit obligation		
	Pension obligations	Medical benefits	Free electricity
	---------- Rupees ----------		
Current liability	103,484,827,711	13,390,324,485	10,218,985,712
Discount rate +1%	92,230,788,535	6,453,559,656	9,183,848,501
Discount rate -1%	111,732,992,682	8,553,990,056	11,459,037,902
Salary increase +1%	107,471,382,197	-	-
Salary decrease -1%	105,474,098,269	-	-
Pension increase rate +1%	113,469,212,421	-	-
Pension decrease rate -1%	94,881,657,857	-	-
1 Year mortality setback	105,019,332,205	7,235,181,585	8,132,789,117
1 Year mortality setforward	101,904,099,639	7,248,942,191	8,144,182,997
Medical inflation rate increase +1%	-	8,600,617,717	-
Medical inflation rate decrease -1%	-	8,097,913,251	-
10% Increase in withdrawal rates	103,422,736,815	7,281,200,632	8,133,602,965
10% Decrease in withdrawal rates	103,546,918,608	7,289,943,319	8,143,369,148
Electricity rate +1%	-	-	11,526,294,596
Electricity rate -1%	-	-	9,111,682,725

The above sensitivity analysis are based on changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

(c) Compensated absences

These represent liabilities in respect of accumulating earned leaves i.e. outstanding leave encashment payments of eligible employees.

(d) Allocation of amounts recognized in the statement of profit or loss against defined benefit obligations are:

	NOTE	31 March 2026 Rupees	30 June 2025 Rupees
Administrative expenses	30.1	1,961,427,380	2,526,226,388
Distribution cost	31.1	7,511,043,358	9,449,472,765
		9,472,470,738	11,975,699,153

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
21	**DEFERRED CREDIT**			
	Balance at the beginning of the period / year		58,279,825,716	49,216,164,541
	Additions during the period / year	21.1	6,023,147,934	9,063,661,175
			64,302,973,650	58,279,825,716
	Accumulated amortization			
	Balance at the beginning of the period / year		(16,889,721,175)	(15,019,437,620)
	For the period / year		(1,666,248,725)	(1,870,283,555)
			(18,555,969,900)	(16,889,721,175)
	Balance at the end of the period / year		45,747,003,750	41,390,104,541

21.1 This represents capital contributions received from consumers and the Government against which assets are constructed by the Company.

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
22	**TRADE AND OTHER PAYABLES**			
	Creditors			
	- Central Power Purchasing Agency (Guarantee) Limited	22.1	47,805,657,664	49,679,725,417
	- Creditors		3,857,707,199	925,374,814
	Due to related parties	22.2	6,133,502,776	3,411,727,417
	Billings related payables	22.3	18,112,525,935	17,663,382,415
	Receipts against deposit work	22.4	8,179,400,674	6,943,529,830
	Workers' Profit Participation Fund payable	22.5	10,978,914,722	9,135,772,939
	WAPDA Welfare Fund		48,113,524	-
	Accrued liabilities		52,509,977	401,542,308
	Withholding taxes payable		1,819,785,770	2,587,797,006
	Others		1,531,548,873	1,357,537,494
			98,519,667,115	92,106,389,640

22.1 This represents amounts payable to Central Power Purchase Agency (Guarantee) Limited - CPPA (G) on account of power purchased, use of system charges of NTDC and PMLTC, Further it also includes certain debit / credit notes received from CPPA to make alignment in certain accounts heads.
This includes an amount of Rupees 8,112.076 million relating to Circular Debt (CD) financing adjustments for December 2025, representing payables originally due to CPPA-G against energy purchases that have been restructured and converted into liabilities payable to financial institutions through CPPA-G under the Circular Debt Restructuring, Settlement, Subscription and Agency Agreement (CDRSSA).

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
22.2	**Due to related parties**			
	National Transmission and Despatch Company Limited		6,017,978,256	3,250,071,589
	Due to other related parties on account of:			
	- Free electricity	22.2.1	48,586,292	19,522,073
	- Pension	22.2.2	66,938,228	142,133,756
			6,133,502,776	3,411,727,418
22.2.1	**Due to related parties on account of free electricity**			
			-	-
	Power Planning and Monitoring Company		3,460,936	3,460,936
	Faisalabad Electric Suply Company Limited		19,273,792	9,775,886
	Multan Electric Power Company Limited		8,113,985	1,604,280
	Lahore Electric Suply Company Limited		8,174,992	-
	Islamabad Electric Supply Company		4,441,703	3,179,681
	Hyderabad Electric Suply Company Limited		1,202,878	90,484
	Peshawar Electric Supply Company		3,892,655	1,410,806
	Hazara Electric Supply Company Limited		25,351	-
			48,586,292	19,522,073
22.2.2	**Due to related parties on account of pension**			
	Faisalabad Electric Suply Company Limited		29,997,350	40,921,451
	Peshawar Electric Supply Company		36,940,878	38,219,384
	Lahore Electric Supply Company Limited		-	62,992,921
			66,938,228	142,133,756
22.3	**Billing related payables**			
	Electricity duty payable	22.3.1	13,199,330,218	10,659,510,813
	EQ surcharge payable	22.3.2	1,285,392,069	1,271,832,340
	Financing cost surcharge payable	22.3.3	1,639,870,326	3,387,101,098
	Income tax payable collected on electricity bills		798,648,460	1,130,875,610
	Neelam Jhelum surcharge payable	22.3.4	1,064,879,073	975,087,561
	Tariff rationalization surcharge payable	22.3.5	264,173	-
	General sales tax not yet realized	22.3.6	123,101,075	123,824,330
	Television fee payable		480,562	114,590,684
	Sale tax Payables on Marble		559,979	559,979
			18,112,525,935	17,663,382,415

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22.3.1 Electricity Duty (ED) had been levied on all domestic and commercial consumers at 1.5% and all other consumers at 1% on variable charges (as per Provincial Finance Act) by the Government of Punjab.

22.3.2 Equalization Surcharges (EQ) had been levied on all consumers at the rate of Rupees 0.43 per unit consumed by the consumers of the Company.

22.3.3 Financing cost surcharge has been notified by GOP vide SRO.571 (1)/2015 dated 10 June 2015, at the rates mentioned against categories of electricity consumers as specified in schedule of electricity tariff for the Company. The amount of surcharge is to be kept in escrow account of CPPA-G for the payment of the financing cost of various loans obtained to discharge liabilities of power producers against the sovereign guarantees of the GOP.

22.3.4 This represents amounts collected from the consumers pursuant to S.R.O 575(1)/2015, dated 10 June 2015 issued by the Ministry of Energy, GOP. The said surcharge was levied till 31 December 2015 and to be kept in the Escrow account of Neelum Jhelum Hydro Power Company Limited for exclusive use for the Neelum Jhelum Hydro Power project. The said surcharge was extended from 30 June 2018 through S.R.O 376(1)/2018, dated 22 March 2018 issued by the Ministry of Energy, GOP, till further notification.

22.3.5 Tariff rationalization surcharge has been notified by GOP vide SRO.571 (1)/2015 dated 10 June 2015, at rates mentioned against categories of electricity consumers as specified in schedule of electricity tariff for the Company to maintain uniform rates of electricity across the country for each of the consumer category. GOP vide SRO.379 (1)/2018 dated 22 March 2018, revised the tariff rationalization surcharge rates for categories of electricity consumers in the revised schedule of electricity tariff for the Company.

22.3.6 This represents amount payable to taxation authorities against General Sales Tax. These amounts have been accumulated over the years.

22.4 These represent amounts received from the Government and private consumers against project works.

		NOTE	31 March 2026 Rupees	30 June 2025 Rupees
22.5	**Worker's Profit Participation Fund**			
	Opening balance		9,135,772,939	6,787,167,270
	Provision for the period / year	33	896,904,101	982,431,396
	Markup on WPPF	34	946,237,682	1,366,174,273
			10,978,914,722	9,135,772,939

23 CONTRACT LIABILITIES

These represent amounts received from consumers against cost of installation of new electricity connections.

24 ACCRUED MARKUP

It represents accrued markup on long term foreign re-lent loans and includes an overdue portion of Rupees 10,828.753 million (2025: Rupees 15,196.928 million).

25 SALES TAX PAYABLE

This amount represents the net output tax liability of the Company for the month of March determined after setting off the available input tax credits against the gross output tax.

26. CONTINGENCIES AND COMMITMENTS

26.1 Income Tax

26.1.1 The Deputy Commissioner Inland Revenue (DCIR), RTO Gujranwala, passed an order dated 28 June 2018, under section 122(4) read with 122(5) of the Income Tax Ordinance, 2001, for Tax Year 2012, raising a tax demand of Rupees 211 million on various grounds, including the levy of minimum tax under section 113, disallowance of certain expenses under section 21, and denial of initial allowance under section 23 of the Ordinance. The Company's appeal before the CIR(A) was dismissed vide order dated 4 April 2019, whereupon a further appeal has been filed before the ATIR, where the matter is pending Adjudication.

26.1.2 The case of the Company was selected for audit under section 177 of the Income Tax Ordinance, 2001, for Tax Year 2014 vide notice dated 20 May 2016, culminating in an audit report issued under section 177(6) on 20 June 2017. Subsequently, a show cause notice under section 122(9) was issued, resulting in an order dated 30 December 2017 under sections 122(4) and 122(5A) of the Ordinance, raising a tax demand of Rupees 2,383 million on account of minimum tax under section 113, disallowance of certain expenses under section 21, and denial of initial allowance under section 23. The CIR(A) dismissed the appeal vide order dated 02 April 2018, and the Company filed a further appeal before the ATIR; however, following insertion of section 134A, the ATIR referred the matter to the ADRC. The Company accordingly filed an application before the ADRC, where the matter is currently pending adjudication.

26.1.3 The ADCIR vide order dated 29 October 2020 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 571 million for Tax Year 2017 on account of minimum tax, disallowance of inadmissible expenses, and inclusion of subsidy income. The Company's appeal before the Commissioner Inland Revenue (Appeals) was partly allowed vide order dated 28 October 2021; however, the Appellate Tribunal Inland Revenue (ATIR), vide order dated 24 March 2023, decided the matter against the Company, which was subsequently upheld by the Honorable Lahore High Court and the Honorable Supreme Court of Pakistan vide order dated 06 December 2024, confirming that minimum tax on subsidy is chargeable under section 113. The Company has accordingly recognized the incremental expense arising from inclusion of subsidy in turnover at the rate of 0.25%; however, the matter regarding the applicability of the normal rate or FMCG rate is currently pending adjudication.

26.1.4 The ADCIR, vide order dated 30 September 2020 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 809 million for Tax Year 2018 on account of minimum tax, rejection of the Company's claim for applicability of 0.25% rate as a distributor of FMCG, disallowance of inadmissible expenses, and inclusion of subsidy income. The CIR(A) upheld the order, and the ATIR, vide order dated 24 March 2023, decided the matter against the Company; thereafter, the Honorable Lahore High Court upheld the Department's stance regarding chargeability of minimum tax on subsidy while leaving the issue of applicability of 0.25% rate unaddressed. The matter regarding inclusion of subsidy was further challenged before the Honorable Supreme Court of Pakistan, which dismissed the petitions vide order dated 06 December 2024. The Company has recognized the incremental expense at the rate of 0.25%; however, the matter regarding applicability of normal rate or FMCG rate remains pending adjudication.

26.1.5 The ADCIR, vide order dated 09 February 2021 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 966 million for Tax Year 2019 on account of minimum tax, disallowance of inadmissible expenses, inclusion of subsidy income, and applicability of 0.25% rate treating the Company as a distributor of FMCG (electricity). The CIR(A), vide order dated 10 January 2022, partly allowed the appeal by deleting inclusion of other income in turnover, annulling certain issues for verification, and upholding inclusion of subsidy and applicable rate; thereafter, the ATIR, vide order dated 25 April 2022, decided the matter in favor of the Company based on Full Bench decision, which was subsequently overturned by the Honorable Lahore High Court and upheld by the Honorable Supreme Court of Pakistan vide order dated 06 December 2024, confirming chargeability of minimum tax on subsidy. The Company has recognized the incremental expense at the rate of 0.25%; however, the matter regarding applicability of normal rate or FMCG rate remains pending adjudication.

26.1.6 The ADCIR, vide order dated 04 May 2021 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 972 million for Tax Year 2020 on account of minimum tax, disallowance of inadmissible expenses, inclusion of subsidy income, and applicable minimum tax rate. The CIR(A), vide order dated 11 November 2021, partly allowed the appeal by deleting inclusion of other income in turnover while confirming inclusion of subsidy and holding the applicable rate at 1.25%. The ATIR, vide ITA No. 5748/LB/2021 dated 24 March 2023, upheld the CIR(A)'s view, which was subsequently affirmed by the Honorable Lahore High Court and the Honorable Supreme Court of Pakistan vide order dated 06 December 2024, confirming chargeability of minimum tax on subsidy against DISCOs. The Company has recognized the incremental expense arising from inclusion of subsidy in turnover at the rate of 0.25%; however, the issue regarding applicability of normal rate or FMCG rate remains pending adjudication.

26.1.7 The ADCIR, vide order dated 11 March 2022 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 436 million for Tax Year 2021 by recalculating minimum tax on turnover, including subsidy and other income, and rejecting the Company's application of 0.25% rate applicable to Fast Moving Consumer Goods. The CIR(A), vide order dated 14 July 2022, partly allowed the appeal by deleting inclusion of other income in turnover while confirming inclusion of subsidy and higher rate; the Company's appeal before the ATIR is pending adjudication. Meanwhile, the Honorable Lahore High Court, following the ATIR Full Bench judgment, and the Honorable Supreme Court of Pakistan vide order dated 06 December 2024, have upheld the chargeability of minimum tax on subsidy, and the Company has recognized the incremental expense at the rate of 0.25%; however, the issue regarding applicability of normal rate or FMCG rate remains pending adjudication.

26.1.8 For Tax Year 2017, the DCIR, vide order dated 17 March 2022 under section 161(1A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 8,584 million for non-withholding of tax on Capacity Transfer Charges in CPPA-G invoices and on NTDC Use of System Charges payments. The CIR(A), vide order dated 27 April 2022, upheld the demand on Capacity Transfer Charges but deleted it for Use of System Charges. Both the Company and the Tax Department filed cross-appeals before the ATIR, which are pending adjudication.

26.1.9 For Tax Year 2018, the DCIR, vide order dated 30 April 2022 under section 161(1A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 4,444 million for non-withholding of tax on Capacity Transfer Charges in CPPA-G invoices and on NTDC Use of System Charges. The CIR(A), vide order dated 14 July 2022, upheld the demand on Capacity Transfer Charges but deleted it for Use of System Charges. Both the Company and the Tax Department filed cross-appeals before the ATIR, which are pending adjudication.

26.1.10 The DCIR, vide order dated 26 April 2021 under section 161(1A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 4,494 million on account of alleged non-withholding of tax on Capacity Transfer Charges in CPPA-G invoices and NTDC Use of System Charges. The CIR(A), vide order dated 27 December 2021, upheld the demand in respect of Capacity Transfer Charges while deleting it for Use of System Charges. The ATIR, vide ITA No. 823/LB/2022 dated 25 February 2022, dismissed the Company's appeal on Capacity Transfer Charges, whereas the Department's appeal on Use of System Charges remains pending; the Company has filed a reference before the Honorable Lahore High Court, which is currently pending adjudication.

26.1.11 The DCIR, vide Order No. Nil dated 31 December 2021 under section 161(1A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 5,921 million on account of alleged non-withholding of tax on Capacity Transfer Charges in CPPA-G invoices and NTDC Use of System Charges. The Company contended that withholding was not applicable on CPPA-G invoices in light of Clause (vi) of SRO 586(I)/91 dated 30 June 1991 and that payments for electricity and gas do not attract withholding under section 153 by virtue of Clause 46AA(v) of the Second Schedule to the Ordinance. The CIR(A), vide order dated 27 April 2022, partly allowed the appeal by upholding the demand in respect of Capacity Transfer Charges while deleting the portion relating to Use of System Charges. Both the Company and the Department have filed cross-appeals before the ATIR, which are currently pending adjudication.

26.1.12 The ACIR, vide order dated 22 March 2024 under section 122(5A) of the Income Tax Ordinance, 2001, raised a demand of Rupees 484 million on account of minimum tax under section 113 on turnover inclusive of subsidy, inclusion of other revenues in turnover, and application of the 1.25% minimum tax rate instead of 0.25% on the basis that electricity does not qualify as a Fast Moving Consumer Good (FMCG). The Company filed an appeal before the CIR(A), which, pursuant to the introduction of section 126A through the Tax Laws (Amendment) Act, 2024, stood transferred to the Appellate Tribunal Inland Revenue, Lahore; the ATIR referred the matter to the ADRC, which, vide order dated 14 February 2025, observed that the issue involves a question of law and advised that it be pursued before the ATIR, where it is currently pending adjudication.

26.1.13 The DCIR, vide order under section 4C of the Income Tax Ordinance, 2001, for Tax Year 2023, raised a demand of Rupees 2,498 million on account of Super Tax. The Company has filed an application before the Alternative Dispute Resolution Committee (ADRC), and the matter is currently pending adjudication.

26.2 Sales Tax

26.2.1 The ACIR RTO Gujranwala, raised a demand of Rupees 4,861 million for the year ended June 2012 in respect of General Sales Tax (GST) on tariff differential subsidy, sales to the Government of AJK, amortization of deferred credit, zero-rated supplies, free electricity, and steel melters. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who decided certain matters in the Company's favor, remanded the remaining issues to the ACIR, and decided against the Company regarding GST on free electricity amounting to Rupees 5.9 million. On this specific issue, the ATIR, vide STA No. 975/LB/2017 dated 03 November 2020, also upheld the decision against the Company. The Company filed a reference before the Lahore High Court (LHC) on the matter of charging and payment of GST on free electricity, which is currently pending adjudication.

26.2.2 The DCIR held that fuel price adjustments granted to consumers from January 2015 to October 2015, relating to sales tax already charged, collected, and deposited, were inadmissible for adjustment against current liability, resulting in a disputed amount of Rupees 1,385 million. The CIR(A) and ATIR upheld the Department's stance; thereafter, the Honorable Lahore High Court directed the Company to approach the ADRC. The Company has filed an application before the ADRC, and the matter is currently pending adjudication, with the next hearing scheduled on 21 May 2026.

26.2.3 The ACIR raised a demand of Rupees 2 million through Order No. 18/ST/GRW/2016 dated 11 May 2016 on the grounds that the Company had claimed input tax on inadmissible goods under section 8 of the Sales Tax Act, 1990 for the period from July 2014 to June 2015. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who upheld the ACIR's decision. The Company then appealed to the ATIR, which, vide STA No. 237/LB/2017 dated 10 July 2025, maintained the CIR(A)'s order. Aggrieved, the Company filed a reference before the Honorable Lahore High Court, Lahore, where the matter is presently pending adjudication.

26.2.4 The ACIR RTO Gujranwala, passed an order raising a demand of Rupees 657.3 million on account of zero-rated supplies, including sales to the Government of AJK, and Rupees 100.2 million for inadmissible input tax, along with default surcharge and penalties under sections 33(11) and 33(5) of the Sales Tax Act, 1990, for the year ended June 2013. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who deleted the inadmissible input tax demand and associated penalties except for Rupees 1.8 million, and directed submission of data for zero-rated supplies verification, while upholding the demand on sales to the Government of AJK. Dissatisfied, the Company appealed to the ATIR on the zero-rated supplies issue, but the appeal was decided against the Company. Aggrieved, the Company filed a reference before the Honorable Lahore High Court vide STR No. 207488 of 2018, Lahore, where the matter is currently pending adjudication.

26.2.5 The DCIR through Order No. 79 dated 16 February 2015, imposed a penalty of Rupees 1.36 million under section 33(5) of the Sales Tax Act, 1990, for non-withholding of sales tax for the periods of November 2013, December 2013, and February 2014. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who, vide order dated 01 April 2015, upheld the penalty. Aggrieved, the Company filed an appeal under section 46 of the Sales Tax Act, 1990 before the ATIR, which, through Order STA No. 589/LB/2015 dated 12 February 2024, annulled the CIR(A)'s order and directed that the matter be decided afresh on merits. The case is currently pending adjudication.

26.2.6 The DCIR issued an order against the Company, demanding Rupees 370 million as sales tax, along with a default surcharge of Rupees 146 million and a penalty of Rupees 18 million, on the grounds that sales tax had not been paid on supplies made to consumers in AJK for the period July 2013 to June 2014. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who upheld the DCIR's decision. Being aggrieved, the Company filed an appeal before the ATIR, which also decided against the Company. The Company has subsequently filed a reference before the Honorable Lahore High Court, Lahore, where the matter is currently pending adjudication.

26.2.7 The ACIR, vide order, raised a demand of Rupees 5,693.55 million along with default surcharge of Rupees 284.7 million on account of alleged short payment of sales tax due to differences between sales declared in returns and financial statements for the years ended June 2010 and June 2011. The Company contended that subsidy received from the Government does not form part of taxable supplies; however, the CIR(A) decided against the Company, while the ATIR ruled in favor of the Company. The Honorable Lahore High Court, vide judgment dated 12 May 2022, disposed of the

Department's appeal without addressing the subsidy issue, and the matter, along with similar issues decided in favor of DISCOs and subsequent clarification through Finance Act, 2022, was ultimately referred by the Honorable Supreme Court of Pakistan to the ADRC. The Company has filed an application before the ADRC, which is currently pending adjudication.

26.2.8 The DCIR, vide order, raised a demand of Rupees 2,651.7 million along with default surcharge and penalty on account of various issues including non-charging of sales tax on AJK sales, demand notices, non-financial assets, connection fees, and differences between sales declared in returns and audited accounts for the year ended June 2009. The CIR(A) partly allowed the appeal, and the ATIR decided the matter in favor of the Company; however, the Honorable Lahore High Court, vide judgment dated 12 May 2022, upheld the ATIR's decision except for the issue relating to AJK sales amounting to Rupees 110.44 million, which was decided against the Company. The Company has filed a petition before the Honorable Supreme Court of Pakistan, which directed the matter to the ADRC, where the Company's application is currently pending adjudication.

26.2.9 The DCIR, vide order dated 19 June 2020 under sections 11 read with 25 of the Sales Tax Act, 1990, raised demands of Rupees 4,100 million, Rupees 1,100 million, and Rupees 122 million on account of non-chargeability of sales tax on subsidy, supply of electricity to AJK, and short collection due to negative fuel price adjustment, respectively. The CIR(A) upheld the departmental stance; however, the ATIR, vide order dated 07 March 2022, decided the subsidy issue in favor of the Company, remanded the negative fuel price adjustment issue (subsequently decided in favor of the Company vide order dated 22 December 2022), and decided against the Company on the AJK supply issue. The Department did not contest the subsidy matter in light of clarification introduced through the Finance Act, 2022, while the Company has filed a reference before the Honorable Lahore High Court against the AJK supply issue amounting to Rupees 1,000 million, which is currently pending adjudication.

26.2.10 The Addl. CIR, vide order dated 15 September 2020 under sections 24 and 52 of the Punjab Sales Tax on Services Act, created a demand of Rupees 669 million along with penalty and default surcharge. The Company filed an appeal before the CIR(A) on 12 October 2020, which is currently pending adjudication.

26.2.11 The Deputy Commissioner Inland Revenue (DCIR), vide Order in Original No. 18/2021 dated 18 January 2022, raised a demand of Rupees 5,387 million for tax periods from April 2016 to June 2019 on the grounds that the Company had not charged Sales Tax on supplies to AJK and other zero-rated supplies. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who, vide Order in Appeal No. 21/A-V dated 20 June 2022, upheld the demand. Dissatisfied, the Company preferred an appeal before the Honorable ATIR, which, vide STR No. 1419/LB/2022 dated 18 November 2023, decided the matter against GEPCO with respect to AJK supplies but in favor of GEPCO regarding other zero-rated supplies (self-office usage). GEPCO has filed a reference before the Honorable Lahore High Court against the AJK issue, while the Department has filed a cross-reference on the zero-rated supplies decision; both matters are currently pending adjudication.

26.2.12 The DCIR, vide Order in Original No. 02/ST/2021 dated 05 July 2021, raised a demand of Rupees 152.552 million on the premise that GEPCO had claimed excess input tax on CPPA-G electricity purchase invoices by for the period December 2015 to May 2016. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who, vide Order in Appeal No. 09/A-V dated 17 January 2022, upheld the demand. Dissatisfied, the Company preferred an appeal before the

Honorable ATIR, which, vide STA No. 487/LB/2022 dated 02 August 2022, remanded the matter back to the CIR(A), where it is currently pending adjudication.

26.2.13 The Deputy Commissioner Inland Revenue (DCIR), LTO Lahore, observed that GEPCO, in its Sales Tax Returns for Tax Year 2020, failed to withhold sales tax of Rupees 2.587 million under sub-section (7) of section 3 of the Sales Tax Act, 1990, on taxable services declared under Advertisement. An order to this effect was issued on 25 August 2023. Aggrieved, GEPCO filed Appeal STA No. 2623/2024 before the Commissioner Inland Revenue (Appeals-I), providing legal and factual grounds supported by relevant records. The CIR(A) remanded the matter to the assessing officer, where it is currently pending adjudication.

26.2.14 The Additional Commissioner, PRA Gujranwala, vide order dated 31 May 2022 alleged that GEPCO, as service provider and withholding agent, failed to withhold and deposit Punjab Sales Tax on services received for repair and maintenance work from M/s Hajveri Power Transformer under Work Order No. 5126-32, creating a liability of Rupees 8.047 million including penalty. GEPCO filed an appeal before the Commissioner (Appeals) PRA, where the matter is pending adjudication.

26.2.15 The Additional Commissioner vide order in original number 190/2022 dated 21 April 2022 alleged that GEPCO, as service provider and withholding agent, failed to withhold and deposit Punjab Sales Tax on services received for repair and maintenance work from M/s Hajveri Power Transformer under Work Order No. 3553-58 and 4220-25, creating a liability of Rupees 2.8 million including penalty. GEPCO filed an appeal before the Commissioner (Appeals) PRA, where the proceedings are pending adjudication.

26.2.16 The Additional Commissioner, PRA Gujranwala, vide ex-parte Order-in-Original No. 356/2023 dated 31 October 2023, created a demand of Rupees 15.86 million (including 100% penalty) on account of alleged non-payment of Punjab sales tax on advertisement services for the period 2015 to 2017, without considering the Company's replies and supporting documents. The Company has filed an appeal before the Commissioner (Appeals) PRA, which is currently pending adjudication.

26.2.17 The Additional Commissioner, PRA Gujranwala, vide consolidated order No. 29/2025 dated 15 July 2025, created a demand of Rupees 6,736 million along with 100% penalty on account of alleged tax fraud relating to chargeability of Punjab sales tax on various services including meter rent, reconnection fee, service charges, electricity duty, NEPRA fee, PITC fee, and use of system charges of NTDC for Tax Years 2019 to 2023. The Company has filed an appeal before the Commissioner (Appeals) PRA, which is currently pending adjudication.

26.3 Commitments

26.3.1 Commitments against agreement with parties and purchase orders for capital store items aggregate to Rupees 3,988.710 million (30 June 2025: Rupees 1,529.310 million).

26.3.2 The Company has issued a bank guarantee in favor of Pakistan State Oil Company Limited (related party) amounting to Rupees 120 million (30 June 2025: Rupees 120 million) obtained from The Bank of Punjab (related party) for its fleet of vehicles.

		NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
27	**SALE OF ELECTRICITY - NET**			
	Gross sales		278,870,121,827	389,884,093,682
	Sales tax		(44,295,087,271)	(64,527,987,082)
		27.1	234,575,034,556	325,356,106,600

27.1 Disaggregation of revenue

In the following, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
Primary geographical markets:		
Pakistan	227,249,350,814	315,945,843,757
Azad Jammu and Kashmir	7,325,683,742	9,410,262,843
	234,575,034,556	325,356,106,600
Major product lines / services:		
Residential	111,494,042,711	173,567,190,314
Commercial	26,190,324,815	36,378,390,448
Industrial	67,075,881,312	88,446,683,482
Bulk	3,412,139,370	6,243,072,138
Agriculture	7,793,793,064	12,258,732,144
Public Lighting	450,634,054	640,765,026
Residential Colony	13,768,196	28,783,379
Azad and Jammu Kashmir	7,325,683,750	9,410,262,843
General services	5,808,476,928	7,063,218,313
	229,564,744,200	334,037,098,086
- unbilled revenue recognized	14,109,545,223	9,236,928,751
- unbilled revenue for previous period billed during the period / year	(4,483,178,751)	(15,538,500,559)
- Spill over adjustment	(4,570,204,367)	(2,418,595,367)
- Other adjustments	(45,871,749)	39,175,689
	5,010,290,356	(8,680,991,486)
	234,575,034,556	325,356,106,600
Timing of revenue recognition:		
- Products transferred at a point in time	234,575,034,556	325,356,106,600
- Products and services transferred over time	-	-
	234,575,034,556	325,356,106,600

27.2 Electricity sales include Rupees 5,645.363 million (30 June 2025: Rupees 10,215.637 million) on account of electricity bills for the month of March 2026 billed to consumers in April 2026. Moreover positive adjustment of Rupees 3,122 million regarding Quarterly Tariff Adjustments and positive adjustment of Rupees 10,148.250 million regarding Prior Year Adjustment (PYA) is also incorporated in the figure of gross sales.

27.3 Revenue is recognized overtime when the electricity units are consumed by the customers.

		NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
28	**SUBSIDIES FROM THE GOVERNMENT OF PAKISTAN**			
	Tariff differential subsidy	11.1	26,531,775,331	36,836,480,357
	Applicable quarterly tariff adjustment	11.1	1,798,637,579	590,703,138
			28,330,412,910	37,427,183,495
29	**COST OF ELECTRICITY**			
	Cost of electricity:			
	- Power purchase	29.1	212,257,363,043	287,600,493,275
	- Use of system charges - NTDC		5,540,939,705	7,337,360,607
	- Market operation fee		-	64,236,986
	- Pak Matyari Lahore Transmission Company - PMLTC charges	29.2	6,772,335,614	9,249,349,767
			224,570,638,362	304,251,440,635
	Supplementary charges	29.3	121,044,179	6,767,827,116
			224,691,682,541	311,019,267,751

29.1 This represents amount charged by Central Power Purchasing Agency (Guarantee) Limited, Chianwali and Head Marala according to the invoices issued by respective power sellers based on tariff determined by National Electric Power Regulatory Authority (NEPRA) and notified by the Government of Pakistan in the Gazette of Pakistan.

29.2 This represents amount charged by Pak Matyari Lahore Transmission Company (PMLTC), which is a part of national transmission line. As per NEPRA Tariff amount billed by PMLTC to NTDCL shall be allocated to DISCOs based on their actual monthly KW consumption for the month.

29.3 These charges have been passed on to the Company by CPPA-G, which includes company's share of markup on late payments being made by the CPPA-G to its lenders.

		NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
30	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits		5,611,983,769	7,067,413,469
	Electricity bills collection charges		294,542,902	387,577,873
	Professional fees		161,964,564	907,947,553
	Vehicle running and maintenance		376,828,732	426,736,546
	Depreciation	4.4	225,328,929	245,870,664
	Office supplies and other expenses		144,258,850	280,561,749
	Traveling and conveyance		72,786,269	106,457,277
	Advertisement and publicity		12,547,238	20,164,906
	Power, light and water		45,423,522	57,327,930
	Postage and telephone		38,375,813	36,019,203
	Auditors' remuneration	30.2	2,500,000	3,700,000
	Rent, rates and taxes	30.3	747,662	4,090,783
	Other charges	30.4	74,527,605	310,229,068
			7,061,815,855	9,854,097,021

30.1 This amount comprises Rupees 1,877.761 million (30 June 2025: Rupees 2,526.226 million) relating to pension, medical, free electricity, and compensated absences, and Rupees 83.667 million (30 June 2025: Rupees 163.858 million) for gratuity of contractual employees, as disclosed in Note 20.

		Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
30.2	**Auditor's remuneration**		
	Annual audit fee	-	3,700,000
	Special audit fee	2,000,000	-
	Out of pocket expenses	500,000	-
		2,500,000	3,700,000

30.3 These represents rental expense in respect of short term lease.

30.4 This includes an amount of Rupees 65.874 million (30 June 2025: Rupees 310.477 million) on account on account of damages / compensation on account of deaths/ disabilities of staff during course of their employment.

		NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
31	**DISTRIBUTION COST**			
	Salaries, wages and other benefits	31.1	16,695,766,022	19,995,914,663
	Repair and maintenance		1,873,011,550	2,661,389,047
	Rent, rates and taxes		8,160,447	8,039,077
	Power, light and water		69,264,791	103,641,514
	Postage and telephone		23,920,277	28,969,640
	Office supplies and other expenses		44,868,029	73,805,712
	Traveling and conveyance		159,205,375	375,278,808
	Vehicle running and maintenance		538,426,656	563,166,576
	Insurance		76,477,596	-
	Depreciation	4.4	3,530,153,218	3,851,973,732
	Professional fees		159,529,705	122,344,885
			23,178,783,666	27,784,523,654

31.1 This includes a sum of Rupees 7,511.043 million (2025: Rupees 9,449.473 million) in respect of pension, medical, free electricity and compensated absences benefits.

31.2 These represents rental expense in respect of short term lease.

		Note	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
32	**OTHER INCOME**			
	Income from financial assets			
	Profit on bank deposits and short term investments		1,236,561,902	1,820,159,759
	Expected credit losses reversal	32.1	-	624,346,686
	Income from non-financial assets			
	Sale of scrap		92,541,500	116,730,062
	Gain on installation of new connections		104,617,236	-
	Others		380,082,298	495,864,627
			577,241,034	612,594,689
	Others			
	Meter / service rent		39,023,790	49,796,493
	Reconnection fees		10,396,584	23,283,488
	Commision on electricity duty		79,346,763	120,252,014
	Commision on PTV license fee		2,259,578	38,729,865
	Late payment surcharge to customers		3,551,654,417	4,779,728,038
	Reversal of provision for slow moving store and spares	8	-	41,030,276
	Reversal of accrued markup	32.2	5,684,074,538	-
	Gain against reversal of store handling charges		840,151,451	-
	Miscellaneous		23,584,101	19,979,084
			10,230,491,222	5,072,799,258
			12,044,294,158	8,129,900,392
32.1	**Break up of expected credit losses are as follows:**			
	Reveresal of expected credit loss against related parties	13	-	1,060,828,978
	Expected credit loss on trade debts	9.3	-	(436,482,292)
			-	624,346,686

32.2 Previously, interest on overdue amount was also charged. However, the Economic Affairs Division calculates the markup based on the repayment schedule. Consequently, the markup has been revised.

33	**OTHER OPERATING EXPENSES**			
	Expected credit losses		1,481,940,451	-
	Worker's profit participation fund	22.5	896,904,101	982,431,396
	Loss on sale of new connections		-	1,333,127,688
	Recievable written off under ADRC decision		-	81,011,590
			2,378,844,552	2,396,570,674
34	**FINANCE COST**			
	Mark-up on long term loans		1,316,748,560	1,695,203,067
	Bank charges		699,572	1,441,077
	Markup on worker's profit participation fund	22.5	946,237,682	1,366,174,273
			2,263,685,814	3,062,818,417
35	**LEVY**			
	Minimum tax	35.1	3,327,000,346	4,591,479,874
			3,327,000,346	4,591,479,874

35.1 The provision for levies represent minimum tax levied under section 113 of Income Tax Ordinance 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37.

		Note	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
36	**TAXATION**			
	- Current tax		1,496,361,348	412,829,826
	- Deffered tax	7	-	-
			1,496,361,348	412,829,826

36.1 Tax reconciliation has been not presented here as levy booked is based on 1.25% of turnover and super tax @ 10% on taxable income as per section 4C of the Income Tax Ordinance, 2001.

37 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration including certain benefits to the Chief Executive Officer, Directors and Executives of the Company are given below:

	Chief Executive Officer		Executives	
	31 March 2026	30 June 2025	31 March 2026	30 June 2025
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration and allowances	15,547,958	13,365,194	79,827,725	87,194,039
Bonus	868,000	700,000	3,644,240	3,654,215
	16,415,958	14,065,194	83,471,965	90,848,254
Number of persons	1	1	12	13

In addition, the Chief Executive Officer is also provided with free transport, residential telephone and medical facilities.

The aggregate amount charged in the financial statements for the year as fee to 07 directors (30 June 2025: 09 directors) is Rupees 13.139 million (30 June 2025:Rupees 17.890 million) for attending Board of Directors and sub-committee meetings.

38	CASH FLOW FROM OPERATING ACTIVITIES	NOTE	Nine months period ended 31 March 2026 Rupees	Year ended 30 June 2025 Rupees
	Profit before levy and taxation		17,041,177,921	18,666,196,525
	Adjustments for non-cash charges and other charges:			
	Depreciation of operating fixed assets	4.1	3,755,482,147	4,097,844,396
	Provision for employee benefits	20.5	9,472,470,738	11,975,699,153
	Finance costs	34	2,263,685,814	3,062,818,417
	Amortization of deferred credit	21	(1,666,248,725)	(1,870,283,555)
	Profit on bank deposits and short-term investments	32	(1,236,561,902)	(1,820,159,759)
	Expected credit loss reversal		-	(1,060,828,978)
	Expected credit loss on trade debts	33	1,481,940,451	436,482,292
	Worker's profit participation fund	33	896,904,101	982,431,396
	Reversal of provision for slow moving stores and spare parts	32	-	(41,030,276)
	Loss on sale of new connections	33	-	1,333,127,688
	Reversal of accrued markup	32	(5,684,074,538)	-
			26,324,776,007	35,762,297,299
38.1	**Working capital changes**			
	(Increase)/ decrease in current assets:			
	Stores and spares		(5,422,211,740)	4,688,727,075
	Trade debts		187,377,964	17,464,738,490
	Short term loans and advances		222,219,934	(250,423,035)
	Receivable from the Government of Pakistan		(14,834,134,107)	(9,281,430,003)
	Other receivables		2,094,132,989	816,873,054
	Increase /(decrease) in current liabilities:			
	Sales tax payable-net		(4,519,337,628)	(669,613,203)
	Trade and other payables		3,333,456,406	(15,763,770,413)
	Contract Liabilities		201,997,066	120,468,959
			(18,736,499,116)	(2,874,429,075)
	Net operating cash flows after working capital changes		7,588,276,891	32,887,868,224

39 FINANCIAL RISK MANAGEMENT

39.1 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. The Board 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.

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit / (loss) before taxation for the year would have been Rupees 26.819 million (30 June 2025: Rupees 25.717 million) respectively lower / higher, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

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

Interest rate risk is 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's interest rate risk arises from long term loans and bank balances in deposit accounts. 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:

	31 March 2026 Rupees	30 June 2025 Rupees
Fixed rate instruments		
Financial assets		
Short term investments	12,319,209,587	11,703,390,200
Financial liabilities		
Long term loans	8,327,305,602	8,327,305,602
Variable rate instruments		
Financial assets		
Bank balances - deposit accounts	6,110,252,677	7,243,428,256

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the 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 / (loss) before taxation for the year would have been Rupees 61.103 million (30 June 2025: Rupees 72.434 million) lower / higher, mainly as a result of higher / lower interest 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 represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	31 March 2026	30 June 2025
	Rupees	Rupees
Long term loans	579,627,325	585,705,469
Trade debts	44,804,755,413	46,474,073,828
Other receivables	874,302,564	2,968,476,172
Short term investments	12,319,209,587	11,703,390,200
Bank balances	6,110,252,677	7,243,428,256
	64,688,147,566	68,975,073,925

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 default rate:

	Rating			31 March 2026	30 June 2025
	Short term	Long term	Agency	----------Rupees----------	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	929,220,783	4,961,805,906
The Bank of Punjab	A1+	AA+	PACRA	1,729,197,927	515,784,138
First Women Bank Limited	A2	A-	PACRA	145,424,041	112,295,373
Punjab Provincial Cooperative Bank Limited	A2	A-	PACRA	49,809,236	85,477,010
Zarai Taraqiati Bank Limited	A1+	AAA	JCR-VIS	5,095,428	54,737,353
Allied Bank Limited	A1+	AAA	PACRA	90,537,484	555,468,091
Askari Bank Limited	A1+	AA+	PACRA	27,714,096	14,594,417
Bank Alfalah Limited	A1+	AA+	PACRA	247,378,215	72,481
Faysal Bank Limited	A1+	AA	PACRA	10,019,795	26,331
Habib Bank Limited	A1+	AAA	JCR-VIS	579,509,997	609,353,675
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	871	-
JS Bank Limited	A1+	AA-	PACRA	101,533,602	-
MCB Bank Limited	A1+	AAA	PACRA	380,971,925	214,324
Soneri Bank Limited	A1+	AA-	PACRA	14,740	24,152
United Bank Limited	A1+	AAA	JCR-VIS	1,357,758,683	331,896,712
Bank Al-Habib Limited	A1+	AAA	PACRA	184,758	1,431,789
Bank Makramah Limited	A3	BBB-	SBP	34,648	48,522
Al Baraka Bank	A1	A+	JCR-VIS	122,946	197,981
Meezan Bank Limited	A1+	AAA	JCR-VIS	(5,497,020)	-
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	31,660	-
Receivable from General Post Office	N/A	N/A	N/A	461,188,862	-
				6,110,252,677	**7,243,428,256**
Investments - Term Deposit Receipts					
Allied Bank Limited	A1+	AAA	PACRA	1,819,200,000	-
Askari Bank Limited	A1+	AA+	PACRA	2,425,600,000	-
Bank Alfalah Limited	A1+	AA+	PACRA	2,425,600,000	2,220,600,000
The Bank of Punjab	A1+	AA+	PACRA	1,819,200,000	-
Habib Bank Limited	A1+	AAA	JCR-VIS	1,819,200,000	2,220,600,000
National Bank of Pakistan	A1+	AAA	PACRA	1,819,200,000	6,661,800,000
				12,128,000,000	11,103,000,000
Investments - Guarantees					
The Bank of Punjab	A1+	AA+	PACRA	122,000,000	182,000,000
				12,250,000,000	**11,285,000,000**

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

Trade debts

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 9.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade debts have been grouped based on shared credit risk characteristics and the days past due. These trade debts are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company's electricity is sold to industrial, commercial and residential consumers and government organizations. Due to large number and diversity of its consumer base, concentration of credit risk with respect to trade debts is limited. Further, the Company manages its credit risk by obtaining security deposits from the consumers. Further, the Company considers the credit risk arising from receivables from public sector consumers to be minimal.

Security deposits, loans and advances and other receivables

The Company has made security deposits to utility companies for provision of utility connections and long term loans to employees which are secured against employees' benefits. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective utility companies.

In addition to above, financial assets include other receivables which mainly includes receivables from related parties (Government entities) and interest accrued on bank deposits. 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 the Company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. For this purpose financial support is available to the Company from Federal Government.

The following are the contractual maturities of financial liabilities:

	Carrying Amount	Contractual cash flows	Less than one year	One to five years	More than five years
	---------- Rupees ----------				
As at 31 March 2026					
Non-derivative financial liabilities:					
Loans	8,327,305,602	12,854,718,357	4,265,028,776	5,025,144,751	3,564,544,830
Long term security deposits	11,616,922,090	11,616,922,090	-	-	-
Trade and other payables	59,429,040,014	59,429,040,014	59,429,040,014	-	-
	79,373,267,706	83,900,680,461	63,694,068,790	5,025,144,751	3,564,544,830
As at 30 June 2025					
Non-derivative financial liabilities:					
Loans	8,327,305,602	15,355,300,961	4,091,695,990	4,774,616,203	6,488,988,769
Long term security deposits	11,017,712,896	11,017,712,896	-	-	11,017,712,896
Trade and other payables	55,775,907,450	55,775,907,450	55,775,907,450	-	-
	75,120,925,948	82,148,921,307	59,867,603,440	4,774,616,203	17,506,701,665

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 31 March.

39.2 Financial instruments by categories

	At amortized cost	
	31 March 2026 Rupees	30 June 2025 Rupees
As at 31 March 2026		
Financial assets		
Long term loans	494,550,539	499,736,543
Loans and advances	92,904,054	91,518,765
Trade debts	44,804,755,413	46,474,073,828
Other receivables	874,302,564	2,968,476,172
Short term investments	12,319,209,587	11,703,390,200
Cash and bank balances	6,110,252,677	7,243,428,256
	64,695,974,834	68,980,623,764
Financial liabilities		
Loans	8,327,305,602	8,327,305,602
Long term security deposits	11,616,922,090	11,017,712,896
Trade and other payables	59,429,040,014	55,775,907,450
	79,373,267,706	75,120,925,948

39.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	31 March 2026			30 June 2025		
	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 ----------			---------- Rupees ----------		
Assets as per statement of financial position						
Long term loans	494,550,539	-	494,550,539	499,736,543	-	499,736,543
Loans and advances	92,904,054	70,148,856	163,052,910	91,518,765	293,754,079	385,272,844
Trade debts	44,804,755,413	-	44,804,755,413	46,474,073,828	-	46,474,073,828
Other receivables	874,302,564	-	874,302,564	2,968,476,172	-	2,968,476,172
Short term investments	12,319,209,587	-	12,319,209,587	11,703,390,200	-	11,703,390,200
Cash and bank balances	6,110,252,677	-	6,110,252,677	7,243,428,256	-	7,243,428,256
	64,695,974,834	70,148,856	64,766,123,690	68,980,623,764	293,754,079	69,274,377,843

	31 March 2026			30 June 2025		
	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 ----------			---------- Rupees ----------		
Liabilities as per statement of financial position						
Loans	8,327,305,602	-	8,327,305,602	8,327,305,602	-	8,327,305,602
Long term security deposits	11,616,922,090	-	11,616,922,090	11,017,712,896	-	11,017,712,896
Trade and other payables	59,429,040,014	39,090,627,101	98,519,667,115	55,775,907,450	50,693,556,970	106,469,464,420
	79,373,267,706	39,090,627,101	118,463,894,807	75,120,925,948	50,693,556,970	125,814,482,918

39.4 Offsetting financial assets and liabilities

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

39.5 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern. The Company is not exposed to any external capital requirement. As public interest entity, financial support is available to the Company from Federal Government and WAPDA in the form of delayed settlement of CPPA(G) against electricity purchase, tariff revision and subsidy on purchases.

39.6 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. Judgements 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 classify 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:

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

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity 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 Branch 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 maximise 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.

40 RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

a) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets 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 has classified its non-financial assets into the following three levels.

At 31 March 2026	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	69,045,477,500	-	-

At 30 June 2025	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	-	-	-

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

b) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its freehold land (classified as property, plant and equipment). The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's freehold land. The fair value of the freehold was last determined by F.K.S Building Services (Evaluators, Architects & Engineers) as at 16 January 2026.

Changes in fair values are analyzed at each reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

41 CAPACITY

The Company's capacity of the electricity distribution depends on various factors including supply and demand of electricity, and transmission and distribution losses. The Company distributed 8,188,096,880 (30 June 2025: 11,055,752,496) units of electricity to its consumers during the nine month period without adjusting the year end accruals.

42 NUMBER OF EMPLOYEES

The number of total employees at the period / year end were 10,802 (30 June 2025: 10,874) whereas the average number of employees during the period / year were 10,838 (30 June 2025: 11,087).

43 TRANSACTIONS WITH RELATED PARTIES

The sale and purchase prices of electricity are controlled by the NEPRA. The related parties comprise of Government of Pakistan, WAPDA, associated companies, directors of the Company, companies with common directorship and key management personnel. Detail of transactions with and balances of related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name of related party	Nature of transactions	31 March 2026 Rupees	30 June 2025 Rupees
Government of Pakistan			
Economic Affairs Division	Tariff Differential Subsidy & AQTA - net	19,833,646,355	15,131,870,585
	Industrial Support Package	4,498,370,731	4,498,370,731
	Zero Rated Industrial Rebate	752,218,195	752,218,195
	Uniform Seasonal Price Subsidy	1,259,649,596	1,259,649,596
	Fuel Price Adjustment Subsidy	3,394,747,839	3,394,747,839
	Agricultural Subsidy	65,501,252	65,501,252
	GST protected receivable from Government of Pakistan	644,402,337	644,402,337
	FPA Subsidy not charged (Nov-2019 to Jun-2020)	1,787,985,954	1,787,985,954
	Subsidy for Private Agricultural Tube Wells (Dec-2014 to Jul-2016)	745,449,914	745,449,914
	6 Paisa & 13 Paisa Subsidy (May-2003 to Jan-2007)	34,315,723	34,315,723
	FPA Agriculture Subsidy	137,805,515	137,805,515
	Fuel Price Adjustment subsidy (Aug-2011 to Jun-2012)	3,394,747,839	3,394,747,839
	AJK Subsidy Receivables from GOP	6,502,592,054	4,980,280,222
	Long term loan	4,062,276,826	8,327,305,602
	Accrued Interest	10,828,752,965	15,196,928,002
Associated companies due to significant influence			
National Electric Power Regulatory Authority	NEPRA fee	169,942,898	195,684,069
National Transmission and Dispatch Company Limited	Use of system charges for the period / year	12,313,275,319	16,586,710,374
	Due against use of system charges	6,017,978,256	3,250,071,589
	(Payable)/ receivable against pension	41,678,484	52,926,442
	Receivable against free electricity	201,685,180	201,685,180
Central Power Purchasing Agency - Guarantee Limited	Purchases of electricity for the period / year	237,004,957,860	294,432,557,377
	Due against purchases of electricity	47,805,657,664	49,679,725,417
	Adjustment against share deposit money	15,197,574,596	6,147,064,906
Northern Power Generation Company Limited - GENCO III	Receivable against free electricity	73,102,513	68,926,316
	Receivable against pension	30,993,642	23,081,515
Water and Power Development Authority	Receivable against pension	-	1,590,968,554
	Receivables against free electricity	157,043,553	201,685,180
	(Payable) / receivable against WAPDA workers' welfare fund	-	355,610,969
Islamabad Electric Supply Company Limited	(Payable) / recievable against free electricity	4,441,703	(3,179,681)
	Receivable against pension	19,719,079	6,935,241
	Free supply of electricity provided to employees of associated company	14,059,557	23,395,894
	Free supply of electricity recieved by employees of associated company	12,933,134	26,162,145
	Sales of material during the period / year	12,566,647	-
	Purchases of material during the period / year	12,566,647	7,526,400
Peshawar Electric Supply Company Limited	Payable against free electricity	(3,892,655)	(1,410,806)
	Payable against pension	(36,940,878)	(38,219,384)
	Free supply of electricity provided to employees of associated company	363,673	2,421,895
	Free supply of electricity recieved by employees of associated company	2,845,521	4,848,255
Faisalabad Electric Supply Company Limited	(Payable) / receivable against free electricity	19,273,792	(9,775,886)
	(Payable)/ receivable against pension	29,997,350	(40,921,451)
	Free supply of electricity provided to employees of associated company	4,588,020	7,760,228
	Free supply of electricity recieved by employees of associated company	17,068,128	17,831,605
	Sales of material during the period / year	53,213,640	-
	Purchases of material during the period / year	108,701,360	46,894,000

Name of related party	Nature of transactions	31 March 2026	30 June 2025
		Rupees	Rupees
Quetta Electric Supply Company Limited	Receivable against free electricity	2,653,903	2,093,609
	Receivable against pension	18,504,340	15,985,227
	Free supply of electricity provided to employees of associated company	1,094,792	2,461,252
	Free supply of electricity recieved by employees of associated company	534,498	367,643
	Sales of material during the period / year	30,540,400	-
	Purchases of material during the period / year	3,834,000	-
Central Power Generation Company Limited - GENCO II	Receivable against free electricity	12,329,522	12,167,276
	Receivable against pension	32,558,763	31,025,892
	Free supply of electricity provided to employees of associated company	1,494,077	3,759,022
	Free supply of electricity recieved by employees of associated company	1,449,362	1,064,016
Hyderabad Electric Supply Company Limited	Payable against free electricity	1,202,878	90,484
	Receivable against pension	18,557,561	15,646,098
	Free supply of electricity provided to employees of associated company	290,765	299,768
	Free supply of electricity recieved by employees of associated company	1,403,160	1,505,174
Lakhra Power Generation Company Limited - GENCO IV	Receivable against free electricity	675,355	675,355
	Receivable against pension	921,150	921,150
Tribal Area Electric Supply Company Limited	Receivable against free electricity	589,902	236,066
	Free supply of electricity provided to employees of associated company	353,836	633,867
Jamshoro Power Company Limited - GENCO I	Receivable against free electricity	3,199,158	3,117,500
	Receivable against pension	2,394,790	3,008,268
	Free supply of electricity provided to employees of associated company	81,657	412,884
Sukkur Electric Power Company Limited	Payable against free electricity	162,789	597,702
	Receivable against pension	3,179,494	2,439,789
	Free supply of electricity provided to employees of associated company	1,245,793	418,572
	Free supply of electricity recieved by employees of associated company	1,680,704	-
	Sales of material during the period / year	21,628,200	-
	Purchases of material during the period / year	17,510,725	-
Hazara Electric Supply Company Limited	Payable against free electricity	25,351	-
	Free supply of electricity provided to employees of associated company	117,158	-
	Free supply of electricity recieved by employees of associated company	161,621	-
	Purchases of material during the period / year	26,267,976	-
Lahore Electric Supply Company Limited	Recievable / (payable) against free electricity	-	13,103,079
	(Payable)/ receivable against pension	-	(62,992,921)
	Free supply of electricity provided to employees of associated company	23,980,714	49,212,121
	Free supply of electricity recieved by employees of associated company	44,958,802	68,481,287
	Sales of material during the period / year	-	101,405,076
	Purchases of material during the period / year	-	12,993,645

Name of related party	Nature of transactions	31 March 2026 Rupees	30 June 2025 Rupees
Multan Electric Power Company Limited	Payable against free electricity	8,113,985	1,604,280
	Receivable against pension	32,587,450	17,115,171
	Free supply of electricity provided to employees of associated company	1,381,325	3,025,934
	Free supply of electricity recieved by employees of associated company	7,216,726	61,534,334
	Purchases of material during the period / year	205,659,413	165,611,038
	Sales of material during the period / year	208,322,317	63,256,986
Power Planning and Monitoring Company (Private) Limited	Payable against free electricity	3,460,936	3,460,936
	Receivable against pension	27,123,963	25,119,400
National Bank of Pakistan	Investments	1,819,200,000	6,661,800,000
	Mark-up income during the period / year	581,648,888	560,352,242
	Accrued markup	575,665	206,908,207
Zarai Taraqiati Bank Limited	Investments	-	-
	Mark-up income during the period / year	-	46,851,507
	Accrued markup	-	-

44 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified for better presentation, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

45 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 24 July 2026 by the Board of Directors of the Company.

46 GENERAL

Figures in these financial statements have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR