

ANNUAL REPORT 2025



Punjab Thermal Power (Private) Limited
7-C1, Gulberg-III, Lahore

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Corporate Information

About the Report: The Integrated Annual Report 2025 provides a comprehensive overview of financial performance and sustainability of the Company, while highlighting links between the external & internal environment, company strategy, business model, integrated risk management and corporate governance system at Punjab Thermal Power (Private) Limited (PTPL).

The report explains the Company and its development. The financial statements comply with the International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and provisions of directives issued under this Act.

This Annual Report also provides a thorough understanding of the Company, its business, the value created, strategies, opportunities & risks, business model, governance & performance against the strategic objectives in a clear, concise and integrated manner that also gives the stakeholders a holistic view of the Company and its prospects.

Company Profile: PTPL is a private company limited by shares incorporated under the provisions of Companies Act, 2017. PTPL is owned by the Government of Punjab. The objective of the Company is to establish and maintain a 1263 MW Re-Gasified Liquefied Natural Gas (RLNG) based thermal power plant near Trimmu Barrage / Haveli Bahadur Shah, District Jhang.

The Project financing structure is based on 70% Debt arranged from local Banks and 30% Equity contributed by the Government of the Punjab.

PTPL has obtained all regulatory approvals/consents/licenses etc. that were required for the project, such as Letter of Intent, Letter of Support, NEPRA Generation License etc. The Company is in full compliance with all Government Policies and Procedures including PPRA Rules, Companies Act, 2017, Securities & Exchange Commission of Pakistan (SECP) Rules and Regulations and other applicable laws.

History: The Country was gripped by severe energy shortages for a decade and the gap between production and consumption was widening every year. The energy crisis had caused irreparable loss to the national economy and left a negative impact on trade and economic activities. In order to bring an end to the energy crisis in the Province, the Government of the Punjab decided to set up a RLNG based Power Plant in Punjab on fast-track basis.

For the purpose of execution of above Project, PTPL was incorporated under Section 16 of the Companies Act, 2017 vide SECP's Incorporation Certificate No. ARL/31459 dated 08.06.2017 as a

Private Company Limited by Shares. PTPL is 100% owned by the Government of the Punjab through the Energy Department and all Directors are nominated by the Government of the Punjab. The objective of the Company is to establish & maintain 1263 MW RLNG based Thermal Power Plant near Trimmu Barrage / Haveli Bahadur Shah, District Jhang. The Project achieved its commercial operations on June 23, 2023.

Vision: To transform PTPL into a valuable and dynamic power Generation Company for establishment of highly efficient power plants involving latest technology and skilled resources to produce safe, sustainable and economical electricity.

Mission: To provide secure, cost-effective, affordable and reliable power supply to meet energy demand in the Country and counter tomorrow challenges hence energizing and revitalizing national economic growth and quality of life.

Core Values:

- a) **Innovation & Excellence:** We strive for excellence driven by innovation and agility. Top quality and progressive mode in a limited time is our recognition.
- b) **Integrity & Accountability:** Truth, trust, sincerity and highest standards of transparency, integrity and honesty are essence of our Company. We take responsibility for our actions and behavior, recognizing that we should be held accountable for everything we say and everything we do professionally.
- c) **Safety:** PTPL is committed to a healthy and injury-free workplace and to the safety of our employees, contractors, visitors and the communities in which we operate. Safety is our most important performance metric and is fundamental to our overall operational and managerial excellence.
- d) **Teamwork:** PTPL is a team of talented people deriving expertise from all levels of the company; our people are united, motivated and pleased to contribute as a team.

Corporate Strategy: PTPL aims to bridge the steadily rising gap between electricity demand & supply through establishing and maintaining RLNG based Thermal Power Plants possessing high efficiency. The ambition of the Company is to strengthen its position as a leading power producer and to contribute with long-term, cost-effective and environmentally compatible electricity to enhance the national economic activities.

PTPL has a strong vision to promote capacity in the energy sector of the Country through development of highly efficient and state-of-the-art technology power plants at the most economical cost for delivering socio-economic benefits to the Country. The Company shall pursue sustainable growth with fair earnings by undertaking balanced management initiatives and leveraging its project management & engineering competences. PTPL is committed to build strong relationships with all stakeholders and to work diligently to increase corporate value while complying with applicable laws and ethical standards. PTPL is confident to play a critical role in eliminating the menace of power outages from the energy starved Country.

Code of Conduct:

- (i) **Objective:** The objective of this Code of Conduct is to enhance integrity, ethics & transparency in governance of the Company, and thereby reinforce the trust and confidence reposed in the Management of the Company by the shareholders and other stakeholders and to create an environment where all the Board Members, Senior Management and employees of the Company maintain an ethical standard and compliance to the ethical standards that are laid down. The Board Members, Senior Management Personnel and employees of the Company are expected to familiarize themselves with this Code of Conduct and to understand, adhere to, comply with and uphold the provisions of this Code of Conduct and the standards laid down hereunder in their day-to-day functioning.
- (ii) **Scope:** This Code of Conduct is applicable to all directors, senior management personnel and employees of the Company.

(iii) **Code of Conduct:**

i. **Encourage Environmental, Social and Corporate Governance (ESG) Practices:**

ESG encompasses the following:

- To encourage the management to adopt digitalization to enhance efficiency and to protect the environment;
- To promote and ensure compliance with ESG policy of the Company, if any;
- To encourage philanthropic activities, donations, contributions to charities and other matters of social welfare, in terms of sustainable practices;

- To encourage the management to publish or disclose regular reports on their ESG targets, environmental and social impact activities;
- To ensure that the Company operates in an environmentally and socially responsible manner, while having strong governance practices in place;
- To ensure that the Company adopts most efficient energy management system, prevention of energy waste and utilization of natural resources in responsible manner;
- To ensure commitment to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.

ii. Understanding of the Legal Duties:

- Acquire appropriate knowledge of the legal requirements relating to their duties to perform their obligations diligently and in compliance with the applicable laws, relevant guidelines and policies of the Company and to ensure compliance of applicable regulatory frameworks;
- Make dedicated efforts to improve competence and skills in their respective roles through continuing professional education;
- Bring to the notice of the Board, any non-compliance or violation of law or policy by the Company, other Board members or employees.

iii. Personal Conduct:

- Avoid following actions:

Misconduct, intimidating & insulting behavior, verbal onslaught, accusations, misogynist behavior, sexual harassment, ignorance of regulatory framework, spate communication (letters, emails, etc.) without highlighting specific discrepancies, humiliation, pressurizing tactics, coerciveness, disruptive and distractive measures, bullying, disruption of conduct of business, unnecessary interference in management issues, unethically tarnishing image of any person.

- Exhibit high standards of personal conduct, both inside and outside the company.

iv. Conduct in Business Dealings:

- Treat everyone, inside and outside the Company, professionally with respect and equality without taking improper advantage of their position;
- To not involve in such practices like manipulation, misuse of privileged information and concealment of facts.

v. Integrity and Honesty:

- Act, at all times, with honesty, integrity and independence to protect Company's properties, reputation and image, and not get into dishonest practices such as bribery or corruption, etc.;
- Exercise due diligence, objectivity, sound and independent judgement while performing the duties;
- To not involve in practices with the intention to get any undue advantage either for himself or his family members.

vi. Avoid Conflict of Interest:

- To not get into any such business or practice that would tend to influence him/her in a way other than in the best interests of the Company;
- To not get into any business transaction or agreement that would result in the conflict of interest in any manner, other than those in the best interests of the Company;
- To not receive gifts and other benefits from the outsiders having pecuniary and other interest.

vii. Ensure Confidentiality:

- Protect confidential, proprietary and any such information received by virtue of their position in the Company and not disclose such information to anyone, unless the disclosure is required under any law or authorized by the Board of the Company;

- To not use or intend to use confidential and proprietary information for gaining unfair advantage and personal benefits, unless it becomes public.

viii. Diversity and Inclusion:

- To promote diverse and inclusive Board and management composition;
- Provide equal opportunities to all employees for employment in the Company irrespective of their culture, race, gender, caste, and religion;
- Promote a work environment free from discrimination, harassment and intimidations of any nature.

ix. Role Towards Shareholders/Members and other Stakeholders:

- Treat all shareholders/members and stakeholders of the Company in a fair and respectable way;
- Act in the best interests of the Company and fulfill their fiduciary responsibilities qua the Company;
- Understand and consider the interests of all stakeholders in the success of the organization.

x. Safeguarding Company's Assets:

- Use Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for personal benefits or gains and to make utmost efforts for the protection and efficient use of the Company's assets.

xi. Promoting Safe and Healthy Environment:

- Give due consideration to the safety and health of all employees and to provide safe, competitive and healthy working environment.

xii. **External Activities and Public Comments:**

- To not undertake any external activities during the working hours or, at the expense of Company's duties and commitments.
- (iv) **Compliance with Laws Rules & Regulations:** Additionally, the directors, senior management and other employees of the companies shall understand and comply with all applicable laws, rules, regulations of any government, regulatory organization(s), licensing agency(ies), or professional association(s)/body(ies) governing their professional activities.
- (v) **Non-Compliance:** Any violation of this Code of Conduct may be reported to the Chairman of the Board in case of Board member or Chief Executive Officer while the other will report to the Chief Executive Officer through Human Resource department of the Company. All reported violations shall be appropriately investigated. Any waiver of this Code must be approved by the Board of Directors and reported / disclosed if required by any applicable law.
- (vi) **Disclosure Requirements:** All Directors, Senior Management Personnel and employees of the Company shall affirm their compliance with the Code of Conduct on an annual basis.

Regulatory Framework: PTPL is regulated by the SECP and also has to fulfil the requirements of National Electric Power Regulatory Authority (NEPRA).

Business Line & Value Chain: The business line of PTPL is power generation and it holds a signification position in the power sector value chain. PTPL is playing a pivotal role in meeting energy needs and economic development of the Country. PTPL is supplementing the power needs of the Country and adds value to the economy through affordable and sustainable power to business and industry.

Company's Legal Advisors:

M/s. Cornelius, Lane & Mufti, Advocates & Solicitors.

Company's Statutory Auditors:

M/s. Yousuf Adil, Chartered Accountants.

Bankers of the Company:

- National Bank of Pakistan.
- Habib Bank Limited.
- United Bank Limited.
- The Bank of Punjab.
- Meezan Bank Limited.
- Askari Bank Limited.
- Dubai Islamic Bank.

Registered Office:

Head Office: Ground Floor, 7/C1, Gulberg III, Lahore.

Plant Site:

Project Site: Near Trimmu Barrage / Haveli Bahadur Shah, District Jhang.

Website:

www.punjabthermal.com

Corporate Governance

Board of Directors:

i. Mr. Muhammad Ali	Chairman / Independent Director
ii. Secretary Energy, GoPb (ex-officio)	Non-Executive Director
iii. Finance Secretary, GoPb (ex-officio)	Non-Executive Director
iv. Chairman P&D Board, GoPb (ex-officio)	Non-Executive Director
v. Mr. Abdul Basit	Independent Director
vi. Ms. Ermeena Asad Malik	Independent Director
vii. Mr. Khuram Saleem	Independent Director
viii. Mr. Muhammad Faisal Afzal	Independent Director
ix. Mr. Mujahid Pervaiz	Independent Director
x. Mr. Salman Zakaria	Chief Executive Officer/Executive Director

Finance & Audit Committee

i. Mr. Khuram Saleem	Chairman
ii. Mr. Abdul Basit	Member
iii. Secretary Energy	Member

Procurement Committee

i. Mr. Mohammad Ali	Chairman
ii. Mr. Mujahid Pervaiz	Member
iii. Secretary Energy	Member

Human Resource Committee

i. Ms. Ermeena Asad Mailk	Chairperson
ii. Mr. Muhammad Ali	Member
iii. Secretary Energy	Member

Risk Management Committee

i. Mr. Mujahid Pervaiz	Chairman
ii. Mr. Khuram Saleem	Member
iii. Secretary Energy	Member

Nomination Committee

- | | | |
|------|---------------------------|----------|
| i. | Mr. Abdul Basit | Chairman |
| ii. | Mr. Muhammad Faisal Afzal | Member |
| iii. | Secretary Energy | Member |

CSR Committee

- | | | |
|------|---------------------------|----------|
| i. | Mr. Muhammad Faisal Afzal | Chairman |
| ii. | Ms. Ermeena Asad Mailk | Member |
| iii. | Secretary Energy | Member |

Mr. Salman Zakaria

Chief Executive Officer

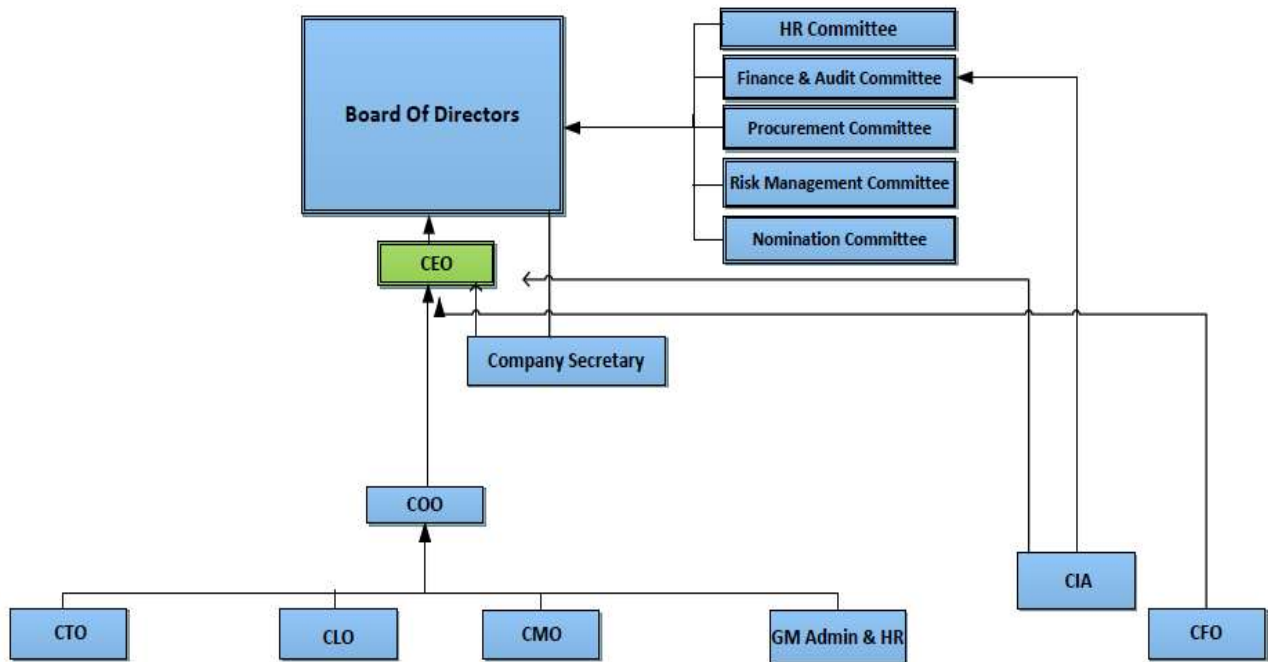
Malik Mohsin Ali

Chief Financial Officer

Zohaib Ahmad Khan

Company Secretary

Organizational Structure



NOTICE OF 8th ANNUAL GENERAL MEETING OF SHAREHOLDERS

- | | |
|--|---|
| i. Mr. Farrukh Naveed
Secretary Energy, GoPb
Shareholder/Director | iv. Chairman P&D Board, GoPb / Director |
| ii. Mr. Mujahid Sherdil
Secretary Finance, GoPb
Shareholder/Director | v. Mr. Abdul Basit, Director |
| iii. Syed Muhammad Ali
Chairman/Director | vi. Ms. Ermeena Asad Malik, Director |
| | vii. Mr. Khuram Saleem, Director |
| | viii. Mr. Muhammad Faisal Afzal, Director |
| | ix. Mr. Mujahid Pervaiz, Director |
| | x. Mr. Salman Zakaria, CEO |
| | xi. M/s Yousuf Adil, External Auditors |

Subject: Notice of the 8th Annual General Meeting of the Shareholders of Punjab Thermal Power (Private) Limited

Notice is hereby given to all shareholders and directors of Punjab Thermal Power (Private) Limited (the "Company") that the 8th Annual General Meeting of the Company will be held on **Thursday, November 27, 2025** at **03:00 pm** at the registered office of the Company i.e. **7-C1, Gulberg-III, Lahore** to transact the following business:

- (i) Confirmation of Minutes of the 7th Annual General Meeting of the Company held on 15.11.2024.
- (ii) The Adoption of Annual Audited Accounts of the Company for the Financial Year ended June 30, 2025 together with Auditor's, Director's and Annual Reports thereon.
- (iii) Appointment of Statutory Auditors of the Company for the Year 2025-2026 and to fix their remuneration.
- (iv) Any other business with the permission of the Chair.

By Order of the Board
Punjab Thermal Power
(Private) Limited



Zohaib Ahmad Khan
Company Secretary

Lahore: November 06, 2025

Notes:

- (i) The share transfer books of the company shall remain closed from November 20, 2025 to November 27, 2025 (both days inclusive).
- (ii) A member entitled to attend and vote at this meeting of the Company is entitled to appoint any other member as his/her proxy to attend and vote instead of him/her, and a proxy so appointed shall have the rights to speak and vote at the meeting as are available to the member.
- (iii) The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney in order to be valid must be deposited at the registered office of the Company not less than forty-eight (48) hours before the meeting.
- (iv) In case of corporate entity, the Board of Director's resolution/ power of attorney with specimen signatures of the nominee shall be produced at the time of the meeting. A proxy representing a corporation or company must himself be a member of the Company.
- (v) The proxy form shall be witnessed by two (2) persons whose names, addresses and C.N.I.C numbers shall be mentioned on the proxy form.
- (vi) Members are requested to notify the Company of any changes in their addresses immediately.
- (vii) The proxy form shall be witnessed by two (2) persons whose names, addresses and C.N.I.C numbers shall be mentioned on the proxy form.



Punjab Thermal Power (Pvt.) Limited



Directors' Report to the Shareholders For the Period ended June 30, 2025

The Directors of the Punjab Thermal Power (Private) Limited (**PTPL**) have the pleasure of submitting their report together with Audited Financial Statements of the Company for the Financial Year ended June 30, 2025 prepared under Section 226 of the Companies Act, 2017.

Company's Overview

In view of acute shortage of electricity, the Government of the Punjab (**GoPb**) established PTPL as a private company limited by shares incorporated under the aegis of Companies Act, 2017. PTPL is 100% owned by GoPb through the Energy Department. The objective of the Company is to establish, operate and maintain 1263 MW Re-Gasified Liquefied Natural Gas (**RLNG**) based thermal power plant near Trimmu Barrage / Haveli Bahadur Shah, District Jhang (the **Project**). The Project is developed in Independent Power Producer (**IPP**) mode under the Power Generation Policy, 2015. The plant has successfully completed and started its commercial operation on June 23, 2023.

Progress on the Project

Combined cycle Commercial Operations Date (**COD**) was achieved on June 23, 2023 and since then the plant has been operated and maintained by O&M Operator (**HEI**) under O&M Agreement. Siemens is rendering services under LTSA and 24x7 monitoring of Gas Turbines being done by Siemens. Plant generated approx. 1.76 billion units during FY 2024-25 and until October 15, 2025 approx. 5.6 billion units have been generated and exported to the national grid. PTPL project is one of the highest efficient plants in the country, displacing lower efficiency thermal power plants on the economic merit order.

Major Events:

- a) **Negotiated Settlement Agreement:** Pursuant to approval by the Board of Directors, Federal and Provincial Cabinets, a Negotiated Settlement Agreement (**NSA**) has been executed among GoP, the Power Purchaser, and the Company. Under the GoP's power-sector reform initiative, certain existing PPA terms were rationalized in line with other GPPs. Some rationalized terms will apply from future dates pending finalization of the project COD-stage tariff, for which GoP has agreed to provide necessary support. The NSA also waives outstanding Delayed Payment Interest (**DPI**) and Part Load Correction Factor (**KL**) of Rs 3,363 million as of 31 December 2024. Under the NSA, the Company is also allowed to create a

Maintenance Reserve “(MR)” of Rs 4,170 million out of its fuel and O&M savings effective from 1 Jan 2025.

- b) **Fire Incident:** On August 03, 2024, a fire incident occurred in GT-1 enclosure. Siemens was mobilized to site on the same day. Reinsurers were informed immediately, and their representative visited the site within 24 hours. Assessment of replacement parts was performed by Siemens, core engine remained safe. The GT1 restoration work is being performed in terms of the relevant agreements with Siemens and HEI. O&M Contractor (HEI) placed the orders for supply of restoration parts and delivery is almost completed. The installation and commissioning works are in progress and around 30 foreign specialists are working at site on 24 X 7 basis. PTPL is in close coordination with higher management of Siemens and HEI in Pakistan, Dubai, China and USA to expedite the restoration.

The insurance policies are in placed with international re-insurers through NICL which cover Property Damage (“PD”) and Business Interruption (“BI”) loss resulting from the fire event. Certain contractual coverage under the relevant agreements is also available to the Company. The loss adjuster appointed by insurers issued a preliminary report confirming coverage under the PD and BI policies, subject to deductibles. Restoration involves replacing damaged auxiliary parts (cables, trays, pipes, sensors, transmitters, enclosures, etc.) supplied on a turnkey basis, for which all necessary purchase and work orders have been issued. Efforts are being made to restore the operations at GT1, and it is expected that GT1 will resume operations by November 2025.

The Company de-recognized assets with a netbook value of Rs 3,703 million and recorded the loss in the profit-or-loss statement. The loss adjuster recommended an interim advance of USD 61.88 million out of an expected total claim of ~USD 135 million. The final claim amount depends on actual restoration cost, timeline, tariff, and indexations. As of 30 June 2025, the Company recognized USD 64.86 million (net of deductibles) as expected insurance recovery. Till date the Company has received USD 53.95 million from the reinsurers.

- c) **Contractor Claims:** The EPC Contractor (China Machinery Engineering Corporation (“CMEC”) raised various claims for extension of time (“EOT”) & additional cost and also submitted consolidated claims and demanded EOT for 1242 days along with additional cost of USD 73.5 million. In pursuance of Supplemental Agreement both parties agreed to refer the matter to the Dispute Adjudication Board (“DAB”) in terms of the EPC Agreement. Accordingly, the matter was referred before the DAB, the DAB after completing its proceedings in the matter of CMEC claims of additional cost and extension of time has rendered its decision on December 11, 2024 wherein the majority of the cost claims were

disallowed except few item related to taxation (change in law) and other matters totaling to the amount of USD 3.83 million was allowed whereas no extension of time was allowed. Subsequently both parties (PTPL and CMEC) have expressed dissatisfaction notice over the DAB decision dated December 11, 2024 for the relevant portion of the decision against them. However, CMEC through separate communication showed its willingness to settle the matter amicably. As of the date, the matter is pending resolution.

Management & Administration

The Company is governed by a Board of Directors comprising of professionals from both Public and Private Sectors with a requisite range of skills, knowledge and experiences. The composition is properly structured to enhance the competences of the Board. The management team is entrusted with the responsibility to conduct operations of the Company adhering to the vision, core values, corporate strategy, and policies as approved by the Board of Directors.

Financing Structure

The project financing structure is comprising of 70:30 debt to equity ratio.

(a) Project Finance Facilities (70% debt): The Company had arranged funding requirements equivalent to the estimated project cost of Rs. 112 billion, at Financial Close through combination of debt and equity in proportion of 70:30. Whereby, 30% equity of Rs. 33.6 billion is injected by the Sponsor and 70% debt through Project Finance Facilities of Rs. 78.4 billion arranged from a consortium of local commercial banks. However, the estimated funding so arranged in December 2020 became insufficient due to unprecedented and sharp devaluation of PKR against USD, increase in RLNG & HSD prices, increase in interest rates and delay in achievement of COD. Under the Sponsor Support Agreement ("**SSA**") dated December 17, 2020, GoPb being the Project Sponsor is obligated to fund the cost overruns incurred or to be incurred by the Company. Accordingly, in order to complete the Project, under the Sponsor Support Agreement signed between the GoPb ("**the Sponsor**") and the Project Financiers, GoPb provided cost overrun support in the form of sponsor loan for an amount of Rs. 25 billion. Despite the fire event and cashflow difficulties, the Company was able to service its debt instalments of Rs. 34,302 million during the period.

(b) Working Capital Facility: The Company has maintained sufficient liquidity requirements and obtained a working-capital facility of Rs 25.8 billion, together with equity of Rs 6.5 billion injected by the Sponsor, to meet its operational requirements. Further, all payments to SNGPL were made on due dates without

any delay. The Company has been effectively managing its cashflow requirements through efficient coordination with the relevant stakeholders.

(c) Gas Supply Deposit (GSD): Under the Gas Supply Agreement (“GSA”) entered into between the Company and Sui Northern Gas Pipeline Limited (“SNGPL”), the Company is required to provide Gas Supply Deposit (“GSD”) equivalent to price of 30 days of RLNG. Accordingly, the Company at the time of financial close had arranged a Standby Letter of Credit (“SBLC”) for an amount of Rs. 6.6 billion equivalents to the GSD value at the prevailing RLNG prices and exchange rate. However, due to adverse exchange rate movement and increase in RLNG prices, the SBLC arranged became insufficient and gas supplier requires differential SBLC in line with requirements of GSA. As the RLNG price and exchange rates are continuously fluctuating, the arrangement of differential amounts of GSD has become difficult and a moving target. The Company, with the help of GoPb arranged and provided an additional SBLC of Rs. 3.9 billion from National Bank of Pakistan (“NBP”) and The Bank of Punjab (“BOP”) to partially fulfil differential requirement of GSD.

The current estimated GSD amount is approximately Rs. 21 billion thus a differential SBLC of Rs. 10.5 billion remains outstanding. Arranging SBLC of such a huge amount is challenging due to low market appetite, banks per party restrictions, overall sectoral limits (due to persistent circular debt) and reluctance by banks due to ongoing disputes between SNGPL and other GPPs. Further, SBLCs provided to SNGPL sufficiently cover the billing cycle under the GSA. The Company has also not made any default on payment, and no overdue payables are outstanding towards SNGPL. To arrange the differential GSD, the Company has mandated BOP who is at advance stage of negotiations with various banks / financial institutions.

Financial Results

During the year, the Company recorded a net profit after tax of Rs 10,225 million. The increase in net profit is mainly due to the net effect of recognition of compensation from reinsure with respect to fire event (loss of revenue and property damage), indexed revenue (in pursuance of interim relief granted by the NEPRA), LDs from LTSA and O&M contractor for failing to meet plant guaranteed availability, delayed payment interest on overdue receivables and interest income earned on bank balances which were partly offset by recognition of operational expenditures, receivables write off in pursuance of NSA, write off / loss on damage assets (due to fire event). Pursuant to the interim relief granted by the NEPRA the Company has recognized an interim relief revenue of Rs. 29,695 million since its COD. The Company has also filed tariff true-up petition before NEPRA which is pending adjudication.

The summary of key operating and financial data for the last six years is given below:

All amounts in Rs in millions

Description	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Profit/(Loss) from operations	10,602	25,659	(1,427)	-	-	-
Financial Charges	13,830	22,751	1,283	5	2	3
Other Income	23,809	7,122	1,510	662	702	1,028
Net Income	10,256	8,597	(1,890)	147	204	601
Financial Position at Year-end						
Property, plant and equipment	106,461	106,879	121,730	97,415	84,010	81,602
Right of use assets	45	60	18	38	58	17
Intangibles	22	-	-	0.05	-	-
Long term deposits	40	39	31	11	10	10
Current Assets	72,606	98,308	43,736	15,330	14,918	18,340
Total Assets	179,174	205,286	165,515	112,794	98,996	99,969
Share Capital	40,120	40,120	40,120	40,120	33,600	10
Accumulated Profit/(Loss)	17,860	7,590	(998)	904	763	559
Advance against equity contribution	-	-	-	-	6,520	38,820
Long term Liabilities	57,444	63,740	86,893	45,331	29,884	25
Current Liabilities	63,750	93,836	39,500	26,439	28,229	60,555
Capital & Liabilities	179,174	205,286	165,515	112,794	98,996	99,969
Debt Equity Ratio (times)	1.21	2.05	2.21	0.93	0.53	-

Health, Safety & Environment (HSE)

The Company has devised Health Safety and Environment Policy in line with the requirements mentioned in the Environment Impact Assessment (“EIA”) Study, Punjab Environment Protection Agency’s NOC and Generation License to provide a safe and healthy workplace for all of its employees and to minimize the impact of Site activities on the environment. Compliance with Environmental, Health and Safety (“EHS”) laws and EIA Study is a basic tenet of the PTPL Code of Business Ethics and is to be integrated into all our operating practices. In this regard, an HSE specialist has been

hired by the Company to ensure compliance with prudent HSE regulations, standards and EIA study requirements.

O&M Contractor has dedicated HSE personnel on the Site, which are responsible for implementing the Company's HSE Policy, EIA Study recommendations and international standards for HSE. The same is overseen by PTPL's own HSE Department at the Project Site. HSE Reports are being shared with NEPRA on a monthly basis. The power plant is rated in outstanding category as per NEPRA's annual ratings. Moreover, environmentally friendly technology used in the project with the lowest emissions will help the government fulfill its international commitment to reducing the carbon footprints.

Corporate Social Responsibility

In compliance with Rule-5(7)(j) of the PSC (CG) Rules, PTPL has formulated a policy for its Corporate Social Responsibility ("CSR"). The objectives of CSR are to support the Company's strategic objective and demonstrate its commitment to conduct business in a socially responsible manner. CSR aims to better integrate social and environmental concerns into business routines on a voluntary basis.

CSR Focus Areas

PTPL has a CSR Policy duly approved by BOD. This policy aims to address environmental sustainability, economic empowerment, and social development through an integrated, holistic, and need-based approach by way of:

- supporting the socio-economic development of underprivileged communities through improved access to livelihood;
- youth development;
- healthcare;
- education;
- environment conservation;
- climate change;
- support at times of disaster.

Furthermore, SECP has also earmarked the areas of interest for undertaking CSR initiatives, which broadly include the following:

- Community investment (skill development, health, education, poverty alleviation, youth development, and environment Conservation;
- Governance; stakeholder relations;

- Safety (Risk management);
- Climate change; plantation;
- Relief activities (disaster support).

Currently, under the EIA Approval, the EPC Contractor has a plan to plant 10,000 trees in vicinity of the Project wherein 8,500 plants have been planted.

PTPL had initially allocated PKR 106 million under its CSR budget for the fiscal year 2025-26. This budget was intended to support regular CSR initiatives in the vicinity of the plant and other planned community development activities. However, in light of the recent devastating floods that have caused widespread destruction across various districts of Punjab, including District Jhang, PTPL, as a responsible corporate citizen, significantly enhanced its CSR contribution to support ongoing relief efforts. In response to the disaster and pursuant to the decision of the Board of Directors, PTPL transferred an amount of PKR 330 million to the GoPb's flood relief fund. Additionally, PKR 30 million has been retained by PTPL for direct CSR interventions. As part of its immediate relief operations, PTPL has distributed food packages and clean drinking water among 680 flood-affected families. Furthermore, the Company has established medical camps in the impacted areas to provide essential healthcare services to those in need. PTPL remains committed to supporting the communities it operates in and continues to stand in solidarity with the people during this challenging time.

Internal Control Framework and Internal Audit

The Directors acknowledge their overall responsibility for the Company's system of internal control and in reviewing its effectiveness, whilst the role of Executive Management is to implement the policies approved by the Board. It implements an internal control system designed to facilitate effective and efficient operations of the Company. It aims to enable the Management to respond appropriately to significant risks in achieving the Company's business objectives. It may be noted that the systems are designed to manage rather than to eliminate the risk of failure to achieve the Company's objectives and can only provide reasonable and not absolute assurance against material misappropriation or loss.

The Company's internal audit functions operate on a centralized basis. Detailed reports on a quarterly basis are submitted directly to the Head of Internal Audit who, in turn, reports functionally to the Finance & Audit Committee and administratively to the Chief Executive Officer of the Company. The Internal Audit Department carries out regular reviews and reports to the Finance & Audit Committee. Internal audit charter, manual and annual audit plans are duly approved by the Finance & Audit Committee



Punjab Thermal Power (Pvt.) Limited



on behalf of the Board of Directors. This is in line with the guidelines laid down by the SECP.

Share Capital

As of date the Authorized Share Capital of the Company is Rs. 40,120,000,000 divided into 401,200,000 Ordinary Shares of Rs. 100 each. The Paid-up Share Capital of the Company is also Rs. 40,120,000,000 divided into 401,200,000 Ordinary Shares of Rs. 100 each.

Corporate and Financial Reporting Framework

- (a) The Board has complied with the relevant principles of corporate governance and has also identified the rules that have not been complied with and the period in which such non-compliance continued. The reasons for such non-compliance are also highlighted.
- (b) The financial statements together with notes thereon have been drawn up and prepared by the management of the Company in conformity with the Companies Act, 2017. These statements fairly present the state of affairs, the results of its operations, cash flows and changes in equity.
- (c) Proper books of accounts of the Company have been maintained.
- (d) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (e) The Board recognizes their responsibility to establish and maintain a sound system of internal control, which is regularly reviewed and monitored.
- (f) The appointment of Chairman and other members of Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Company as well as in line with corporate best practices. According to the Remuneration Policy approved by the Shareholders of the Company, meeting fee of Rs. 75,000/- (Rupees Seventy-Five Thousand Only) including taxes are paid for attending meetings of the Board and Committees.
- (g) International Financial Reporting Standards ("**IFRS**"), as applicable in Pakistan, have been followed in preparation of financial statements except for the implementation of IAS-21 and IFRS-16 for which the Company sought exemption in line with the exemption available to all other IPPs whose PPAs were signed prior

to January 01, 2019. However, SECP had rejected the Company's application for exemption of the SRO for application of IFRS 16. The Company filed a review appeal before SECP which was returned on the grounds that it did not fall within the scope of section 480 of the Companies Act, 2017. The Company, after consultation with its legal advisor, filed an appeal before the appellate bench of SECP. However, the appellate bench of SECP also rejected the Company's request for exemption without giving any chance of being heard. The Company sought relief through an appeal filed before the Honorable Lahore High Court (the "**LHC**") against the order of SECP and also filed a writ petition challenging the impugned conditions contained in notification SRO 986(I)/2019 dated September 2, 2019 (limiting SRO to only those companies that had executed PPAs before January 01, 2019). The LHC on January 04, 2022 granted interim relief by suspending the impugned condition contained in SRO No. 986 (1) / 2019 dated September 02, 2019, till further order. The matter is pending before the court; the Company is of the view that the outcome is likely to be in favor of the Company based on various legal and technical grounds.

- (h) All statutory and corporate information of the Company is conveyed to the SECP as required under the Companies Act, 2017.

Future Outlook

PTPL has a strong vision and commitment to add economical energy to the national grid. The development of one of the most efficient and state-of-the-art technology power plant is part of the same. PTPL's operational tariff is more competitive compared to other gas based thermal power plants and can play a vital role in replacing the expensive and inefficient power plant.

Earnings per Share

Earnings per share for the year ended June 30, 2025 is Rs. 25.56 per share.

Meetings of the Board of Directors and Committees along with Attendance and Remuneration Paid to the Directors

During the Financial Year ended June 30, 2025 following meetings of the Board of Directors and Committees were held. The attendance and meeting fee paid to the directors are as under:

Sr. No.	Names of Directors	Meetings of the Board of Directors & Committee's Attended by the Members					Meeting Fee Paid Inclusive of Tax Rs.
		Board of Directors	Human Resource Committee	Finance & Audit Committee	Procurement Committee	Risk Management Committee	
1	Mr. Muhammad Ali	10 of 10	04 of 04	-	04 of 04	-	1,350,000
2	Secretary Energy, GoPb (ex-officio Director)	09 of 10	04 of 04	04 of 04	04 of 04	02 of 02	1,725,000
3	Chairman P&D Board, GoPb (ex-officio Director)	09 of 10	-	-	-	-	675,000
4	Finance Secretary, GoPb (ex-officio Director)	02 of 10	-	-	-	-	150,000
5	Mr. Abdul Basit	10 of 10	-	04 of 04	-	-	1,050,000
6	Ms. Ermeena Asad Malik	08 of 10	04 of 04	-	-	-	900,000
7	Mr. Khuram Saleem	10 of 10	-	04 of 04	-	02 of 02	1,200,000
8	Mr. Muhammad Faisal Afzal	10 of 10	-	-	-	-	750,000
9	Mr. Mujahid Perviaz Chattha	10 of 10	01 of 01 (Co-opted member)	-	04 of 04	02 of 02	1,275,000

Leave of absence was granted to the Directors who could not attend the Board meetings due to their pre-occupation.

Statutory Auditors

The present Statutory Auditors of the Company, M/s. Yousuf Adil, Chartered Accountants, shall stand retired at the conclusion of the 8th Annual General Meeting of the Company and are eligible to offer themselves for re-appointment as per section 246 of Companies Act, 2017 for financial year 2025-26. The Finance & Audit Committee, in its 34th meeting dated 28.10.2025 had recommended to the Board of Directors and Shareholders the appointment of M/s. Yousuf Adil, Chartered Accountants, as external auditors of the Company for the year 2025-26.

Auditor's Report

The Auditors of the Company, M/s. Yousuf Adil, Chartered Accountants have completed their assignment up to the Financial Year ended June 30, 2025. The Auditors have not made any reservations or adverse remarks in their Audit Report for the Financial Year under review. The Auditors' Report does not contain any qualification, notes to the Accounts and Auditors' remarks in their report are self-explanatory.

Pattern of Shareholding

As required under Section 227 of the Companies Act, 2017 and Rule-17(4)(i) of Public Sector Companies Rules, 2013, statement of the Pattern of Shareholding of the Company reflecting the aggregate number of shares held as of June 30, 2025 is attached hereto as "**Annex-A**".



Punjab Thermal Power (Pvt.) Limited



Acknowledgement

The Board of Directors would like to take this opportunity to express its appreciation and gratitude to all its shareholders and stakeholders for their continued valuable support in managing the business. The Board also acknowledges and thanks the management team and employees of the Company for their hard work and dedication shown throughout the Financial Year under review.

For and on behalf of
Board of Directors

Chairman/Director

Chief Executive Officer

City: **Lahore**

Date: November 06, 2025

ANNEX-A

Pattern of Shareholding

As of June 30, 2025

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
3	1	401200000	401,200,000

Categories of Shareholding

As of June 30, 2025

Category of Shareholders	No of Shares Held	Shareholding Percentage
Government of the Punjab & its Nominees	401,199,998	100%
Mr. Naeem Rauf, Secretary Energy	1	-
Mr. Mujahid Sherdil, Finance Secretary	1	-

Review Report to the Members

On the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 ('the Rules') prepared by the Board of Directors of **Punjab Thermal Power (Private) Limited** ('the Company') for the year ended June 30, 2025.

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

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

The Rules requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practice contained in the Rules as applicable to the Company for the year ended June 30, 2025.


Chartered Accountants

Place: Lahore

Date: November 21, 2025

UDIN: CR2025101800CKcNioLh

SCHEDULE-I

[See paragraph 2(1)]

**Statement of Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013**

Name of Company: Punjab Thermal Power (Private) Limited (the "Company")
Name of Line Ministry: Ministry of Energy, Government of the Punjab
For the Year Ended: June 30, 2025

I. This statement presents the overview of the compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The company has complied with the provisions of the Rules in the following manner:

S. No	Provisions of the Rules	Rule No.	Y	N																										
			Tick the Relevant Box																											
1.	The Independent Directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																											
2.	The Board has at least one-third of its total members as Independent Directors. At present the Board includes: <table><tr><th>Category</th><th>Names</th><th>Date of Appointment</th></tr><tr><td rowspan="6">Independent Directors</td><td>1. Syed Muhammad Ali</td><td>08.07.2019</td></tr><tr><td>2. Mr. Abdul Basit</td><td>08.07.2019</td></tr><tr><td>3. Ms. Ermeena Asad Malik</td><td>08.07.2019</td></tr><tr><td>4. Mr. Khuram Saleem</td><td>08.07.2019</td></tr><tr><td>5. Mr. Muhammad Faisal Afzal</td><td>08.07.2019</td></tr><tr><td>6. Mr. Mujahid Pervaiz Chattha</td><td>26.11.2021</td></tr><tr><td>Executive Directors</td><td>1. Mr. Salman Zakaria</td><td>05.11.2021</td></tr><tr><td rowspan="3">Non-Executive Directors</td><td>1. Secretary Finance, GoPb.</td><td>08.07.2019</td></tr><tr><td>2. Secretary Energy, GoPb.</td><td>08.07.2019</td></tr><tr><td>3. Chairman P&D Board</td><td>13.12.2022</td></tr></table>	Category	Names	Date of Appointment	Independent Directors	1. Syed Muhammad Ali	08.07.2019	2. Mr. Abdul Basit	08.07.2019	3. Ms. Ermeena Asad Malik	08.07.2019	4. Mr. Khuram Saleem	08.07.2019	5. Mr. Muhammad Faisal Afzal	08.07.2019	6. Mr. Mujahid Pervaiz Chattha	26.11.2021	Executive Directors	1. Mr. Salman Zakaria	05.11.2021	Non-Executive Directors	1. Secretary Finance, GoPb.	08.07.2019	2. Secretary Energy, GoPb.	08.07.2019	3. Chairman P&D Board	13.12.2022	3(2)	✓	
Category	Names	Date of Appointment																												
Independent Directors	1. Syed Muhammad Ali	08.07.2019																												
	2. Mr. Abdul Basit	08.07.2019																												
	3. Ms. Ermeena Asad Malik	08.07.2019																												
	4. Mr. Khuram Saleem	08.07.2019																												
	5. Mr. Muhammad Faisal Afzal	08.07.2019																												
	6. Mr. Mujahid Pervaiz Chattha	26.11.2021																												
Executive Directors	1. Mr. Salman Zakaria	05.11.2021																												
Non-Executive Directors	1. Secretary Finance, GoPb.	08.07.2019																												
	2. Secretary Energy, GoPb.	08.07.2019																												
	3. Chairman P&D Board	13.12.2022																												
3.	The Directors have confirmed that none of them is serving as a director on more than five Public Sector Companies and Listed Companies simultaneously, except their Subsidiaries. Note: Two ex-officio Directors are serving on more than five public sector companies.	3(5)		✓																										

4.	The appointing authorities have applied the fit and proper criteria given in the Annexure in making nominations of the persons for election as Board members under the Provisions of the Act.	3(7)	✓	
5.	The Chairman of the Board is working separately from the Chief Executive of the Company.	4(1)	✓	
6.	The Chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government	4(4)	✓	
7.	The Board has evaluated the candidates for the position of Chief Executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the chief executive has been nominated by the Government)	5(2)	✓	
8.	(a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures, including posting the same on the Company's website. (www.punjabthermal.com) (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)	✓	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b) (vi)	✓	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓	
13.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	✓	

14.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	✓	
15	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓	
16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A	
17	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓	
18.	(a) The Board has met at least four times during the year.	6(1)	✓	
	(b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓	
	(c) The Minutes of the meetings were appropriately recorded and circulated.	6(3)	✓	
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓	
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the Audit Committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓	
21.	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end.	10	✓	N/A
	(b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.			
	(c) The Board has placed the annual financial statements on the Company's website.		✓	
22.	All the Board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as specified in the Rules	11	✓	

23.	(a) The Board has formed the requisite Committees, as specified in the Rules.	12	✓																			
	(b) The Committees were provided with written Terms of Reference defining their duties, authority and composition.		✓																			
	(c) The Minutes of the meetings of the Committees were circulated to all the Board members.		✓																			
	(d) The Committees were Chaired by the following non-executive directors:		✓																			
	<table><tr><th>Committee</th><th>Number of Members</th><th>Name of Chair</th></tr><tr><td>Finance & Audit Committee</td><td>3</td><td>Mr. Khuram Saleem</td></tr><tr><td>Risk Management Committee</td><td>3</td><td>Mr. Mujahid Pervaiz</td></tr><tr><td>Human Resource Committee</td><td>3</td><td>Ms. Ermeena Asad Malik</td></tr><tr><td>Procurement Committee</td><td>3</td><td>Syed Muhammad Ali</td></tr><tr><td>Nomination Committee</td><td>3</td><td>Mr. Abdul Basit</td></tr></table>		Committee	Number of Members	Name of Chair	Finance & Audit Committee	3	Mr. Khuram Saleem	Risk Management Committee	3	Mr. Mujahid Pervaiz	Human Resource Committee	3	Ms. Ermeena Asad Malik	Procurement Committee	3	Syed Muhammad Ali	Nomination Committee	3	Mr. Abdul Basit	✓	
	Committee		Number of Members	Name of Chair																		
	Finance & Audit Committee		3	Mr. Khuram Saleem																		
Risk Management Committee	3	Mr. Mujahid Pervaiz																				
Human Resource Committee	3	Ms. Ermeena Asad Malik																				
Procurement Committee	3	Syed Muhammad Ali																				
Nomination Committee	3	Mr. Abdul Basit																				
	✓																					
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13	✓																			
25	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓																			
26.	The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓																			
27.	The Directors' Report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓																			
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.	18	✓																			

29.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. (b) The annual report of the Company contains criteria and details of remuneration of each director.	19	✓ ✓													
30.	The financial statements of the Company were duly endorsed by the Chief Executive and Chief Financial Officer before consideration and approval of the Audit Committee and the Board.	20	✓													
31.	The Board has formed an Audit Committee, with defined and written Terms of Reference, and having the following members: <table border="1"><thead><tr><th>Name of Member</th><th>Category</th><th>Professional Background</th></tr></thead><tbody><tr><td>Mr. Khuram Saleem</td><td>Independent Director</td><td>CEO, Imperial Footwear (Pvt.) Ltd.</td></tr><tr><td>Mr. Abdul Basit</td><td>Independent Director</td><td>Chairman Big Bird Group</td></tr><tr><td>Secretary Energy, GoPb</td><td>Non-Executive Director</td><td>Career Bureaucrat</td></tr></tbody></table> The Chief Executive and Chairman of the Board are not members of the Audit Committee.	Name of Member	Category	Professional Background	Mr. Khuram Saleem	Independent Director	CEO, Imperial Footwear (Pvt.) Ltd.	Mr. Abdul Basit	Independent Director	Chairman Big Bird Group	Secretary Energy, GoPb	Non-Executive Director	Career Bureaucrat	21 (1) and 21 (2)	✓ ✓	
Name of Member	Category	Professional Background														
Mr. Khuram Saleem	Independent Director	CEO, Imperial Footwear (Pvt.) Ltd.														
Mr. Abdul Basit	Independent Director	Chairman Big Bird Group														
Secretary Energy, GoPb	Non-Executive Director	Career Bureaucrat														
32.	(a) The Chief Financial Officer, the Chief Internal Auditor, and a representative of the external auditors attended all meetings of the Audit Committee at which issues relating to accounts and audit were discussed. (b) The Audit Committee met the external auditors, at least once a year, without the presence of the Chief Financial Officer, the Chief Internal Auditor and other executives. (c) The Audit Committee met the Chief Internal Auditor and other members of the internal audit function, at least once a year, without the presence of Chief Financial Officer and the external auditors.	21(3)	✓ ✓ ✓													

33	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the Audit Committee. (b) The Chief Internal Auditor has requisite qualification and experience prescribed in the Rules. (c) The internal audit reports have been provided to the external auditors for their review.	22	✓ ✓ ✓	
34.	The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓	
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓	



CHAIRMAN, BOARD OF DIRECTORS



CHIEF EXECUTIVE OFFICER

SCHEDULE-II

See Paragraph 2(3)

Explanation for Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with [except for the following, toward which reasonable progress is being made by the Company to seek compliance by the end of next accounting year]:

Sr. No.	Rule/ sub-rule no.	Reason for non-compliance	Future course of action
1	3(5)	Majority of the Board members had confirmed that they are not serving as directors in more than five Public Sector Companies and Listed Companies simultaneously, except their Subsidiaries, however, two of the worthy Board members (<i>Secretary Energy & Chairman P&D Board, ex-officio directors</i>) are serving on more than five (05) companies as member of the Board.	Government of Punjab (GoPb) own various Companies in different sectors. For the purpose of monitoring and safeguarding its interest in these companies, GoPb has nominated Secretary Energy and Chairman P&D as ex-officio directors in multiple companies considering their expertise. Similarly, the individuals have been nominated as the ex-officio directors of PTPL to protect the interest of the Government. Therefore, it is not practicable for the above ex-officio directors to comply with this particular provision of PSC (CG) Rules, 2013.
2	8(1)	The Company vide its letter dated November 27, 2024, has already submitted details of performance evaluation of the Board of Directors for the year 2023-24 to the Energy Department, GoPb. However, the response on further action in this regard is still awaited.	The Company will pursue this matter with the Energy Department, GoPb for earliest performance evaluation of members of the Board including Chairman and the Chief Executive Officer to ensure compliance with this provision of PSC (CG) Rules.



CHAIRMAN, BOARD OF DIRECTORS



CHIEF EXECUTIVE OFFICER

INDEPENDENT AUDITOR'S REPORT

To the members of Punjab Thermal Power (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Punjab Thermal Power (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 3.15 of these financial statements which explains that the Company has continued to capitalize exchange (gain) / loss on foreign currency balances and also not followed International Financial Reporting Standard 16, Leases (IFRS 16) in view of interim relief granted by the Honorable Lahore High Court on January 04, 2022 by suspending the restrictive condition contained in the SRO No. 986 (1)/2019 dated September 02, 2019, till further orders. Our opinion is not modified in this respect.

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

Management is responsible for the other information. The other information comprises the Directors' report, but does not include the financial statements, and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



Report on Other Legal and Regulatory Requirements

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

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

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

Yousuf Adil
Chartered Accountants

Place: Lahore

Date: November 21, 2025

UDIN: AR2025101801q9FjBwSc

PUNJAB THERMAL POWER (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2025

PUNJAB THERMAL POWER (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		2025	2024
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	106,461,296	106,879,379
Right-of-use asset	6	45,393	60,356
Intangibles	7	22,137	
Long term deposits		40,062	38,964
		<u>106,568,888</u>	<u>106,978,699</u>
CURRENT ASSETS			
Trade debts - secured	8	12,253,139	45,961,744
Inventories	9	6,065,030	5,056,344
Advances, prepayments, deposits and other receivables	10	23,952,171	11,376,581
Cash and bank balances	11	30,335,724	35,912,826
		<u>72,606,064</u>	<u>98,307,495</u>
TOTAL ASSETS		<u><u>179,174,952</u></u>	<u><u>205,286,194</u></u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital			
Ordinary shares of Rs. 100 each		<u>40,120,000</u>	<u>40,120,000</u>
Issued, subscribed and paid up capital			
Ordinary shares of Rs. 100 each	12	40,120,000	40,120,000
Unappropriated profit		<u>17,860,173</u>	<u>7,590,461</u>
		57,980,173	47,710,461
NON-CURRENT LIABILITIES			
Long term financing - secured	13	57,232,707	63,546,965
Staff retirement benefits	14	182,129	146,593
Lease liability	15	29,823	46,558
		<u>57,444,659</u>	<u>63,740,116</u>
CURRENT LIABILITIES			
Trade and other payables	16	17,149,398	16,280,925
Accrued markup / profit	17	-	9,303,772
Short term borrowings - secured	18	6,436,414	21,900,095
Loan from sponsor - unsecured	19	33,710,000	33,710,000
Lease liability	15	25,883	16,758
Provision for taxation less payments - net		-	120,188
Current maturity of long term financing - secured	13	6,428,425	12,503,879
		<u>63,750,120</u>	<u>93,835,617</u>
CONTINGENCIES AND COMMITMENTS	20		
		<u><u>179,174,952</u></u>	<u><u>205,286,194</u></u>

The annexed notes 1 to 34 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


PUNJAB THERMAL POWER (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
Revenue from contract with customer	21	60,088,011	107,976,525
Cost of sales	22	(49,486,211)	(82,317,252)
Gross profit		10,601,800	25,659,273
Administrative expenses	23	(897,090)	(802,128)
Other expenses	24	(7,962,562)	(316,085)
Other income	25	23,809,065	7,121,809
Profit from operations		25,551,213	31,662,869
Finance costs	26	(13,829,966)	(22,751,263)
Profit before taxation		11,721,247	8,911,606
Taxation	27	(1,465,660)	(314,456)
Profit for the year		10,255,587	8,597,150

The annexed notes 1 to 34 form an integral part of these financial statements.

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CHIEF EXECUTIVE


DIRECTOR

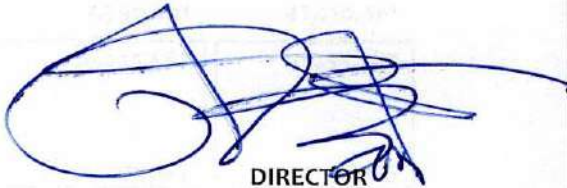
PUNJAB THERMAL POWER (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024				
Profit for the year		10,255,587	8,597,150				
Other comprehensive income							
Items not to be reclassified to profit or loss subsequently:							
Actuarial gain / (loss) on remeasurement of staff retirement benefits	14.3	<table><tr><td>14,125</td><td>(8,865)</td></tr><tr><td>14,125</td><td>(8,865)</td></tr></table>	14,125	(8,865)	14,125	(8,865)	
14,125	(8,865)						
14,125	(8,865)						
Total comprehensive income for the year		<table><tr><td>10,269,712</td><td>8,588,285</td></tr></table>	10,269,712	8,588,285			
10,269,712	8,588,285						

The annexed notes 1 to 34 form an integral part of these financial statements.




CHIEF EXECUTIVE


DIRECTOR

PUNJAB THERMAL POWER (PRIVATE) LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2025

	Share capital	Unappropriated profit / (Accumulated loss)	Total
	(Rupees in thousand)		
Balance as at July 01, 2023	40,120,000	(997,824)	39,122,176
Profit for the year	-	8,597,150	8,597,150
Other comprehensive income			
Actuarial loss on remeasurement of staff retirement benefits	-	(8,865)	(8,865)
Total comprehensive income	-	8,588,285	8,588,285
Balance as at June 30, 2024	40,120,000	7,590,461	47,710,461
Balance as at July 01, 2024	40,120,000	7,590,461	47,710,461
Profit for the year	-	10,255,587	10,255,587
Other comprehensive income			
Actuarial gain on remeasurement of staff retirement benefits	-	14,125	14,125
Total comprehensive income	-	10,269,712	10,269,712
Balance as at June 30, 2025	40,120,000	17,860,173	57,980,173

The annexed notes 1 to 34 form an integral part of these financial statements.

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 CHIEF EXECUTIVE


 DIRECTOR

PUNJAB THERMAL POWER (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		11,721,247	8,911,606
Adjustments:			
Depreciation on operating fixed asset	5.1	3,621,717	3,658,697
Provisional loss on damaged assets - written off	24	3,703,229	-
Depreciation on right of use asset	6	22,898	20,019
Amortization on intangibles	7	-	4
Provision for staff retirement benefits	14.2.1	53,822	43,198
Interest income	25	(5,475,477)	(7,096,683)
Finance cost	26	13,829,966	22,751,263
		15,756,155	19,376,498
Operating profit before working capital changes		27,477,402	28,288,104
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Inventories		(1,008,686)	(1,215,774)
Trade debts - secured		33,340,547	(23,961,953)
Advances, prepayments, deposits and other receivables		(11,990,293)	(1,734,721)
Increase / (decrease) in current liabilities:			
Trade and other payables		888,338	1,686,083
		21,229,906	(25,226,365)
Cash generated from operations		48,707,308	3,061,739
Bank charges paid		(387)	(5,759)
Staff retirement benefit paid		(4,161)	-
Taxes paid		(1,235,367)	(1,399,496)
		(1,239,915)	(1,405,255)
Net cash generated from operating activities		47,467,393	1,656,484
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(6,906,862)	(1,484,438)
Additions in intangible asset		(22,137)	-
Profit received on saving accounts		4,907,757	2,658,301
Payment for long term deposits		(1,098)	(7,794)
Net cash (used in) / generated from investing activities		(2,022,340)	1,166,069
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term loan		(12,503,878)	(1,201,285)
Loan from sponsor - unsecured		-	21,500,000
Finance cost paid		(23,024,977)	(13,680,501)
Repayment of lease liability		(15,383)	(20,718)
Financial charges paid		(14,236)	(4,050)
Net cash (used in) / generated from financing activities		(35,558,474)	6,593,446
Net increase in cash and cash equivalents		9,886,579	9,415,999
Cash and cash equivalents at beginning of the year		14,012,731	4,596,732
Cash and cash equivalents at end of the year		23,899,310	14,012,731
Cash and cash equivalent comprised of:			
Cash and bank balances	11	30,335,724	35,912,826
Short term borrowings - secured	18	(6,436,414)	(21,900,095)
		23,899,310	14,012,731

The annexed notes 1 to 34 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

PUNJAB THERMAL POWER (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 Legal status and nature of business

Punjab Thermal Power (Private) Limited (the Company or PTPL) was incorporated as a private limited company under the Companies Act, 2017 on June 08, 2017, by the Government of Punjab ("GoPb") through the Energy Department. The Company is wholly owned by GoPb and was established to set up, operate and manage 1,263.2-megawatt (MW) Regasified Liquefied Natural Gas (RLNG) based combined cycle thermal power plant (with HSD as backup fuel) at Haveli Bahadur Shah, near Trimmu barrage, Jhang, Punjab in an Independent Power Producer (IPP) mode. The registered office of the Company is situated at 7- C1, Gulberg III, Lahore, Pakistan. The principal activities of the Company are to construct, own, operate and maintain the 1,263.2 MW RLNG based power plant and in connection therewith to engage in the business of generation, sale and supply of electricity.

The Company entered into the PPA on June 22, 2020 with Central Power Purchasing Agency Guarantee Limited (CPPA-G) to sell Contract Capacity and Dispatch & Deliver net electrical output in accordance with the terms and conditions of the PPA. The PPA is for a period of 30 years.

The Company has achieved Combined Cycle Commercial Operation on June 23, 2023. Since then, the plant has been operating in commercial operation mode.

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan except for International Financial Reporting Standard 16 'Leases' and International Accounting Standard 21 'The Effects of Changes in Exchange Rates' as disclosed in Note 3.15. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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

2.2 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current year

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards or Interpretations with no significant impact

- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial instruments: Disclosures' - Supplier Finance Arrangements

2.3 New accounting standards, interpretations and amendments that are not yet effective and / or have not been early adopted by the company

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards or Interpretations that are not yet effective

Effective from annual period beginning on or after:

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments: Disclosures' - Classification and measurement of financial instruments	January 01, 2027
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments: Disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not yet been adopted by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

2.5 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupee has been rounded off to the nearest of thousand Rupees, unless otherwise stated.

2.6 Critical accounting estimates and judgements

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

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

Judgments made by the management in the application of approved accounting standards that have significant effect on these financial statements and the estimates with a significant risk of material adjustment are:

	Note
- Significant events and transactions	4
- Estimated useful lives and residual values of property, plant and equipment & intangibles	3.2 and 3.3
- Staff retirement benefits	3.7
- Provision for taxation	3.8
- Provisions and contingencies	3.9
- Leases	3.14
- Capitalization of exchange gain / loss	3.15
- Right-of-use asset	6
- Financial risk management	28

3 Material accounting policy information

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

3.1 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.2 Property, plant and equipment

Owned

Property, plant and equipment owned by the Company are stated at cost less accumulated depreciation and impairment, if any, except for freehold land which is stated at cost. Capital work in progress and stores held for capitalization, which are stated at cost less accumulated impairment, if any. Cost in relation to property, plant and equipment comprises acquisition and other directly attributable costs. Capital work in progress consists of capital expenditure, advances made in the course of their construction and directly attributable costs, net of income. Transfers are made to the relevant asset category as and when assets are available for intended use. Based on the available information, the assets have been transferred from CWIP on provisional basis.

Depreciation charge is based on the straight-line method at rates given in note 5.1, whereby the cost of an asset is written off to statement of profit or loss over its estimated useful life after taking into account the residual value, if any. The residual value, depreciation method and the useful lives of each part of property, plant and equipment are reviewed at each reporting date and adjusted, if required.

Depreciation on additions to operating fixed assets is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is derecognized or retired from active use.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset is represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense.

3.3 Intangibles

Intangible assets with a finite useful life are capitalized initially at cost and subsequently stated at cost less accumulated amortization and impairment, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All costs / expenditures connected with implementation of intangible assets are collected in intangible assets under implementation. These are transferred to specific assets as and when assets are available for intended use.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets available for intended use, in line with the Company's policy. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if required.

3.4 Inventories

These are valued at lower of cost based on First In First Out (FIFO) and net realizable value.

3.5 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and bank balances, short term investment with less than three month maturity and short term running finance which are stated in the statement of financial position at cost.

3.6 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit or loss.

3.7.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis, being the date on which the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

The classification depends on the purpose for which the financial assets were acquired. Company determines the classification of its financial assets at the time of initial recognition. The Company classifies its financial assets in the following categories:

a) Debt instruments that meet the following conditions are measured subsequently at amortized cost:

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

Amortized cost and effective interest method:

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Company carries bank balances, long term deposits and other receivables at amortized cost.

b) Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As at reporting date, the Company does not possess any debt instrument classified as at FVTOCI.

c) Equity instruments designated as at FVTOCI:

On initial recognition, the Company may make an irrevocable selection (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

As at reporting date, the Company does not possess any equity instruments designated as at FVTOCI.

d) Financial assets at fair value through profit or loss

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). As at reporting date, the Company does not possess any financial assets classified as at FVTPL.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets, except for financial asset due from Government. The Securities and Exchange Commission of Pakistan (SECP) through SRO 1177(I)/2021 dated September 13, 2021 has notified that, in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses (ECL) method shall not be applicable till June 30, 2022 which the SECP has been extending from time to time with latest extension till December 31, 2025 vide S.R.O. 1784 (I)/2024 dated November 04, 2024. The management of the Company believes that the application of this standard subsequent to December 31, 2025 will not have any material impact on the Company.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. Any gain or loss on derecognition of financial assets is included in the statement of profit or loss.

Write-off policy

The Company writes off a financial asset when there is information indicating that the amount is not recoverable. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice, where appropriate. Any recoveries made are recognized in statement of profit or loss.

3.7.2 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not :

- contingent consideration of an acquirer in a business combination,
- held-for-trading, or
- designated as at FVTPL,

are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit or loss.

3.7.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off in the statement of financial position, only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.7.4 Impairment of non-financial assets

The carrying amount of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be the value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss and where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of asset.

3.7 Staff retirement benefits

The main features of the schemes operated by the Company for its employees are :

Defined benefit plan - gratuity

The Company currently operates gratuity plan for its employees who have completed the qualifying period under the

scheme. The most recent actuarial valuation in this regard was carried out as at June 30, 2025 by using Projected Unit Credit Method for valuation of the scheme. Remeasurements which comprises actuarial gains and losses and experience adjustments are recognized immediately in the statement of comprehensive income. Net interest expense and current service cost are recognized in statement of profit or loss and capital work in progress. Details of the scheme are given in note 14 to these financial statements.

3.8 Taxation

As per power policy 2015, the Company being an IPP is exempt from taxation in Pakistan. However in order to avail this exemption, the Company has requested Private Power and Infrastructure Board (PPIB) and Ministry of Finance, GoP to make appropriate amendment in income tax laws. Furthermore, under the tariff determination, in case the Company is obligated to pay any tax on its income from generation of electricity or any duties and / or taxes not being of refundable nature are imposed on the Company, the exact amount paid by the Company is also recoverable from National Electric Power Regulatory Authority (NEPRA) / CPPA-G. Moreover, the Company's taxation expense comprises of the followings:

(a) Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

Levy includes minimum taxes differential, final taxes and super taxes which are based on other than taxable profits, if any. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognized in prepaid assets as 'prepaid levy'.

(b) Revenue taxes

Revenue taxes include amount representing in excess of:

- a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;
- b) minimum tax withheld / collected / paid or computed over tax liability, computed on related income tax streams taxable at general rate of tax, is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

The Company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at the general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'.

(c) Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

(d) Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax rebates and tax credits available, if any, or minimum tax under section 113 of Income Tax Ordinance 2001, whichever is higher.

The Company has adopted an Approach - B to incorporate and account for income taxes as per The Institute of Chartered Accountants of Pakistan (ICAP) guide 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the Guide). The Company first designates the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognises it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21 "Levies" / IAS

37 "Provisions, Contingent Liabilities and Contingent Assets". The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. The charge for tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessment made during the year.

3.9 Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle such obligations and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost, if any. Where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, it is disclosed as contingent liability.

3.10 Revenue recognition

Sale of electricity

The Company as required under IFRS 15, recognizes revenue over time as electricity and related products are delivered. In this regard, the Company's PPA contains a distinct performance obligation for the delivery of electricity, delivery of capacity, (i.e. Availability of generation), or the combination of the two. Determining what goods or services promised to the customer constitutes a distinct performance obligation requires significant judgment. The Company considered all goods and services promised in its PPA contract and determined that while certain promises do have stand alone value to the customer that are not distinct in the context of the contract.

The Company views each megawatt (MWh) of electricity and / or capacity delivered to be a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer as measured using an output method. The amount that the Company has a right to bill the customer reflects the pattern of transfer and value of the completed performance to the customer. As a result, the Company applies the "Right to Invoice" practical expedient under IFRS 15 to measure and recognized revenue.

The Company has achieved its COD as on June 23, 2023, however, significant judgment is required in determination of the amount to be recognized as revenue in terms of IFRS 15, as the Company is presently recognizing revenue on reference tariff as indexed by the authority from time to time which is subject to significant changes in future at the finalization of tariff actualization viz-a-viz factors including (ROE, Debt service, USD indexation, CPI, KIBOR rate and others). Currently, the Company's revenue recognition policy reflects the consideration to which it expects to be entitled in exchange of performance obligations.

3.11 Interest on bank deposits and delayed payment income

Interest income on bank deposits and delayed payment income on overdue trade receivables is recognized at effective interest rate on accrual basis.

3.12 Finance cost

Finance cost comprises markup on loans and lease liability and also bank charges. Mark-up, interest and other charges are charged to the statement of profit or loss during the year in which they are incurred.

3.13 Foreign currency transactions and balances

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

3.14 Leases

Right-of-use asset

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises of initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and

remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

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

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index, or a rate, initially measured using the index or rate as at commencement date;
- amount expected to be payable under a residual guarantee; and
- the exercise under purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a 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 or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero.

3.14.1 Ijarah Contracts

The car lease facility has been accounted for in accordance with IFAS 2 issued by the Institute of Chartered Accountants of Pakistan (ICAP) under which car lease rentals will be charged off instead of lease accounting under IFRS-16.

3.15 Additional disclosure as per IAS 1 for departure from requirements of IFRS 16 and IAS 21

On January 16, 2012, Security and Exchange Commission of Pakistan (SECP) vide SRO (I) 2012 granted waivers to all the Independent Power Producers (IPPs) from the requirements of IFRIC 4 "Determining whether an arrangement contains a lease" and IFRIC 12, "Services Concession Agreements". Further, SECP, through the aforementioned SRO, has allowed the IPPs to continue capitalizing the exchange differences, and not to recognize embedded derivatives where these are not closely related to the host contract. On September 02, 2019, SECP vide SRO 986(I) / 2019 (the SRO of 2019) by making partial modification in the said SRO, has granted exemptions from the requirements of IFRS 16 and IAS 21 to the companies whose Power Purchase Agreements (PPAs) were executed before January 01, 2019. However, the SECP made it mandatory to disclose the impact of the application of IFRS 16 relating to power purchase agreement on the results of the companies. As the concession agreements of the Company were approved by Economic Coordination Committee (ECC) in 2018, only signing was pending which was made on June 22, 2020 owing to various reasons on part of Federal Government entities which were beyond the control of the Company, therefore, the Company believes that said notification does not apply to it like other RLNG projects. Accordingly, the Company applied to SECP for similar exemption / clarification as was granted to IPPs whose PPAs were executed before January 01, 2019.

In connection with the above, SECP rejected the Company's application for exemption as per the said SRO to the extent of application of IFRS 16, against which the Company filed review appeal before SECP which was returned on the grounds that it did not fall within the scope of section 480 of the Company's Act, 2017.

The Company filed an appeal before the Honorable Lahore High Court (LHC) against the order of SECP and a writ petition challenging the impugned conditions contained in the SRO of 2019 (limiting SRO to only those companies that has executed PPAs before January 01, 2019). The LHC on January 04, 2022, granted an interim relief by suspending the impugned condition contained in the SRO of 2019. Subsequently, LHC further directed the SECP to justify the enforcement of IFRS 16 after the cut-off date of January 01, 2019. In response, the SECP submitted its explanation, following which the LHC required further clarifications from SECP regarding the rationale for discriminations based on the specific PPA execution date. In this regard, subsequent hearings were held, however the SECP requested additional

time to submit a comprehensive response. In the meantime, the LHC upheld the interim relief granted to the Company on the the application of IFRS 16 and IAS 21, thereby extending the suspension of the contested conditions until further orders.

The Company believes that it has business rationale and technical justifications therefore, it has a good chance to defend its case on a similar grounds of the exemption as was allowed to all other IPPs. Keeping this in view, the Company has not followed IFRS 16, 'Leases' and also continued to capitalize exchange gain / loss on foreign currency balances against its operating fixed assets.

Had there been no capitalization of exchange gain / (loss), the impact on financial statements will be as follows:

	2025	2024
	(Rupees in thousand)	
Decrease in the carrying amount of property, plant and equipment and un-appropriated profit at beginning of the year	(3,048,185)	(3,702,814)
Decrease in cost of sales - depreciation	104,367	104,367
Decrease in other expenses - exchange gain	-	550,262
Decrease in the carrying amount of property, plant and equipment and un-appropriated profit at end of the year	(2,943,818)	(3,048,185)

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a lease under IFRS 16, 'Leases'. The Company's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of IFRS 16. Consequently, if the Company were to follow IFRS 16, the effect on the financial statements would be as follows:

	2025	2024
	(Rupees in thousand)	
De-recognition of property, plant and equipment	(99,383,656)	(106,172,405)
Recognition of lease debtor	99,755,824	109,797,546
Impact in unappropriated profit at beginning of the year	3,625,141	228,002
(Decrease) / Increase in profit for the year	(3,252,973)	3,397,139
Increase in unappropriated profit at end of the year	372,168	3,625,141

4 Significant transactions and events

- 4.1 Under the term Sponsor Support Agreement (SSA), the Government of Punjab (GoPb) being the project sponsor has arranged the Debt Service Reserve Account Stand by Letter of Credit (DSRA SBLC) from The Bank of Punjab (BOP) for an amount of PKR 10.76 billion in favour of the Project Financiers. The said DSRA SBLC will expire on October 30, 2025 and is secured against Provincial Guarantee and Debit Authority.
- 4.2 The Company also filed tariff true-up on April 19, 2025 pursuant to which on May 26th, 2025, the NEPRA, resumed interim relief to the Company. Accordingly, during the year, the Company has recognized an interim relief revenue of Rs. 9,145 million (2024: Rs. 20,550 million).
- 4.3 On August 3, 2024, a fire incident occurred at the Gas Turbine 1 (GT1) enclosure, resulting in the unavailability of GT1 (half of the power complex). The incident caused damage to various components, necessitating their replacement to resume operations. In response, PTPL promptly engaged the O&M and LTSA Contractor / Original Equipment Manufacturer (OEM), along with the insurer, to initiate the restoration process.

As part of the insurance claim process, the insurer appointed a loss adjuster who conducted a detailed survey and subsequently issued a preliminary report. The report confirmed that the losses sustained due to the fire appear to be adequately covered under the applicable insurance policy and opined that there are no conditions that would exclude coverage of such loss. PTPL’s insurance policies encompass coverage for both Property Damage (PD) and Business Interruption (BI) losses arising from such events, subject to the applicable deductibles.

The restoration scope involves the procurement and replacement of damaged auxiliary parts, along with associated rehabilitation works. All essential purchase and work orders relating to dismantling, restoration, procurement, and installation have been issued. The parts damaged in the incident comprises of small or auxiliary components such as cables, cable trays, pipes, sensors, transmitters, and enclosures. These components, originally supplied on a turnkey basis, are neither separately identifiable nor do they have individually itemized costs available.

Accordingly, based on the assessment of the replacement cost of the damaged parts and the estimated historical cost of these assets, the Company has derecognized assets with a net book value of Rs. 3,703 million and recognized the

corresponding loss in the statement of profit or loss.

In connection with the above, the loss adjuster recommended an interim advance payment of USD 61.88 million comprising of USD 19.08 million for PD and USD 42.80 million for BI losses, to the Company out of the total expected insurance claim of approx. USD 135 million. The exact amount of the insurance claim is dependent upon the actual restoration cost, restoration timeline (for BI loss), determination of tariff and related indexations. As the quantum of the insurance claim is based on the above-mentioned factors including actual restoration cost and the actual loss of capacity revenue, accordingly, till June 30, 2025, the Company has recognized USD 64.86 million as an expected recovery against insurance claim net of applicable deductibles.

- 4.4 Pursuant to the approval by the Board of Directors, Federal and Provincial Cabinets, Negotiated Settlement Agreement (NSA) has been executed amongst the GoP, the Power Purchaser and the Company. As per the Government of Pakistan's initiative for power sector reforms, certain existing PPA terms were rationalized under the NSA in line with the other GPPs whereas few of the rationalized terms will be applicable from future dates considering pending finalization of project COD stage tariff for which the GoP also agreed to provide the necessary support. Additionally, the agreement also waives outstanding Delayed Payment Interest (DPI) of Rs. 2,665 million as of December 31, 2024.

Under the NSA, the Company is also allowed to create Maintenance Reserve (MR) for an amount of Rs. 4,170 million out of the Fuel and O&M savings earned from January 01, 2025 onward. The MR shall be utilized for additional required maintenance, extra work due to unscheduled maintenance and upgrades advised by OEM etc, and if MR remains unutilized after completing the respective overhauling(s) or 5th year of such overhauling reserve in the Financial Statement, whichever is earlier, the same shall be shared with the power purchaser in 60:40 ratio as per the terms of the NSA.

During the year, half of the complex was unavailable following the fire incident (refer note 4.3), consequently, the Company did not invoice the corresponding portion of Capacity Revenue to the Power Purchaser as per the PPA. This led to O&M Costs exceeding the O&M Revenue billed to the Power Purchaser, resulting in no net savings in O&M and fuel components to contribute to Maintenance Reserve (MR).

5 Property, plant and equipment

Operating fixed assets - owned
Capital work in progress

Note	2025 (Rupees in thousand)	2024
5.1	99,913,123	106,716,641
5.3	6,548,173	162,738
	<u>106,461,296</u>	<u>106,879,379</u>

5.1 Operating fixed assets - owned

Description	2025										
	Cost					Rate	Depreciation				Net book value as at June 30
	Opening	Additions (Note 5.1.1)	Adjustments (Note 5.1.2)	Disposals (Note 5.1.3)	As at June 30		Opening accumulated	For the year	Disposals	Accumulated as at June 30	
(Rupees in thousand)					%	(Rupees in thousand)					
Land	450,618	-	-	-	450,618	-	-	-	-	-	450,618
Building and civil works	12,272,962	-	-	-	12,272,962	3.33	445,849	406,433	-	852,282	11,420,680
Plant and machinery	97,877,950	503,431	-	(3,853,072)	94,528,309	3.33	3,531,796	3,182,517	(149,842)	6,564,471	87,963,838
Furniture and fixtures	31,755	7,214	-	-	38,969	20	6,777	5,913	-	12,690	26,279
Vehicles	41,523	241	-	-	41,764	20	22,873	6,474	-	29,347	12,417
IT equipment	61,494	424	-	-	61,918	33	25,318	17,120	-	42,438	19,480
Office & electrical equipment	15,082	10,119	-	-	25,201	20	2,130	3,260	-	5,390	19,811
	110,751,384	521,429	-	(3,853,072)	107,419,741		4,034,743	3,621,717	(149,842)	7,506,618	99,913,123

2024											
Description	Cost					Rate	Depreciation				Net book value as at June 30
	Opening	Additions (Note 5.1.1)	Adjustments (Note 5.1.2)	Disposals (Note 5.1.3)	As at June 30		Opening accumulated	For the year	Disposals	Accumulated as at June 30	
(Rupees in thousand)					%	(Rupees in thousand)					
Land	450,618	-	-	-	450,618	-	-	-	-	-	450,618
Building and civil works	13,565,683	165,372	(1,458,093)	-	12,272,962	3.33	37,682	408,167	-	445,849	11,827,113
Plant and machinery	108,002,403	1,093,460	(11,217,913)	-	97,877,950	3.33	300,007	3,231,789	-	3,531,796	94,346,154
Furniture and fixtures	9,395	22,360	-	-	31,755	20	5,228	1,549	-	6,777	24,978
Vehicles	41,197	326	-	-	41,523	20	16,439	6,434	-	22,873	18,650
IT equipment	32,306	29,188	-	-	61,494	33	15,556	9,762	-	25,318	36,176
Office & electrical equipment	4,084	10,998	-	-	15,082	20	1,130	1,000	-	2,130	12,952
	122,105,686	1,321,704	(12,676,006)	-	110,751,384		376,042	3,658,701	-	4,034,743	106,716,641

5.1.1 Addition in Plant and Machinery comprise of the Test Energy - RLNG cost of Rs. 503.43 million. Please also refer to note 20.1.4 for further details.

5.1.2 This includes LD adjustment of Nil (2024: Rs. 1,458 million) against the building and Nil (2024: Rs. 11,218 million) against plant and machinery.

5.1.3 This includes disposal of Rs. 3,853.07 million (2024: Nil) against the damaged parts of plant and machinery. Please also refer to note 4.3 for further details.

5.1.4 Fixed assets include fully depreciated assets under Furniture and Fixtures, Vehicles and IT Equipments of Rs. 4.58 million (2024: Rs. 3.51 million), Rs. 9.33 million (2024: Rs. 9.19 million) and Rs. 29.12 million (2024: Rs. 5.74 million) respectively.

		2025	2024
		(Rupees in thousand)	
5.2	Depreciation charged to:		
	Cost of sales	22	3,588,950
	Administrative expenses	23	32,767
			3,621,717
			3,658,701
5.3	Capital work in progress		
	Opening balance		162,738
	Additions during the year	5.3.1	6,385,435
	Transfers during the year		(1,258,832)
	Closing balance		6,548,173
5.3.1	This includes Rs. 5,947.12 million (2024: Nil) capitalized in respect of GT1 restoration during the year, following the fire incident.		
6	Right-of-use asset		
	Net book value at July 01	6.1	60,356
	Addition during the year		7,935
	Depreciation charge for the year	23	(22,898)
	Net book value at June 30		45,393
	Depreciation rate per annum (%)		33.3
6.1	This represents head office building (rent).		
7	Intangibles		
	Computer Software	7.1	-
	Computer Software under implementation	7.2	22,137
			22,137
7.1	Cost		
	Balance as at June 30		299
	Amortization		
	Opening balance		299
	Charge for the year		4
	Balance as at June 30		299
	Net book value at June 30		-
	Amortization rate per annum (%)		33.33
	Cost of fully amortized intangibles		299
7.2	This represents costs incurred for ERP (Oracle Fusion) implementation currently in progress.		
8	Trade debts - secured		
	Considered good, billed	8.3	8,789,377
	Considered good, unbilled		3,463,762
		8.1 & 8.2	12,253,139
			45,961,744
8.1	Trade debts are secured by a sovereign guarantee from the Government of Pakistan under the Implementation Agreement (IA) and are considered good.		
8.2	Any late payments made by CPPA-G under the PPA shall bear interest at a rate of three months KIBOR plus one percent per annum, calculated for the actual number of days for which the relevant amount(s) remain unpaid on the basis of 365 days in year.		
8.3	The ageing of billed receivables is as follows:		
	Not yet due		3,443,195
	Past due 1 - 30 days		5,278,896
	Past due 31 - 60 days		6,942
	Past due 61 - 90 days		41,882
	Past due 91 - 120 days		18,462
			8,789,377
			34,035,994

Maximum aggregate amount of trade debts, billed which remained outstanding at any time during the year is Rs. 31,655 million (2024: Rs. 34,036 million).

9	Inventories	Note	2025	2024
			(Rupees in thousand)	
	High Speed Diesel (HSD)		3,321,043	3,322,635
	Stores and spares	9.1	2,743,987	1,733,709
			<u>6,065,030</u>	<u>5,056,344</u>
9.1	It includes an amount of Rs. 1,715.92 million (2024: Rs. 1,715.92 million) against initial spares provided to LTSA contractor as per the LTSA agreement. Any utilization from such initial spares will be replenished by the LTSA contractor in accordance with the contract. Additionally, it includes Rs. 1,028.05 million (2024: Rs. 17.7 million) for spares provided by the O&M contractor which will also be replenished by the O&M contractor as per the O&M agreement.			
10	Advances, prepayments, deposits and other receivables	Note	2025	2024
			(Rupees in thousand)	
	Advances to executives / employees	10.1	10,018	10,447
	Advance income tax		17,577	-
	Prepayments		36,334	28,988
	Sales tax receivable		5,147,519	3,993,364
	Interest accrued on saving accounts		1,336,753	2,331,467
	Receivable from EPC contractor	10.2	3,427,128	3,406,409
	Insurance claim receivable	10.3	11,589,191	-
	Receivable from CPPA-G - pass through item	10.4	322,268	755,274
	Receivable from Government of Punjab	10.5	279,823	126,488
	Security deposits		16	16
	Other receivables	10.6	1,785,544	724,128
			<u>23,952,171</u>	<u>11,376,581</u>
10.1	This represents advance availed by certain executives / employees against gratuity earned as per the Company policy, which shall be adjusted against the salary.			
10.2	It includes contingent advance of Rs. 3,000 million (2024: Rs. 3,000 million) given to CMEC in accordance with Supplemental Agreement (SA) after obtaining requisite approvals. GoPb had already provided Sponsor Support under the SSA for various sponsor support commitments which is currently lien marked with financiers. These funds were utilized for contingent payment which were to be adjusted against future payments / available securities or to be repaid at the time of Dispute Adjudication Board (DAB) determination or arbitration as the case may be. During the year, upon DAB determination both parties filed dissatisfaction to the extent to DAB decision against them. CMEC also indicated to resolve the matter amicably, the outcome of the same is currently a pending resolution. Additionally, the above also includes Rs. 427.13 million (2024: Rs. 406.20 million) for repeat test costs, import energy bills, and other claims from CMEC, as per the terms of EPC Agreement.			
10.3	This represents remaining balance of USD 40.87 million (Rs. 11,589 million) out of USD 64.87 recorded as receivable against insurance claim (refer note 4.3). Subsequent to year-end, USD 30.01 million was further received.			
10.4	Receivable from CPPA-G - pass through item		2025	2024
			(Rupees in thousand)	
	Corporate taxes		-	340,685
	Workers' Profit Participation Fund		235,610	234,237
	Punjab Workers' Welfare Fund		-	93,694
	PPIB COD anniversary fee		86,658	86,658
			<u>322,268</u>	<u>755,274</u>
10.5	This represents amount receivable from Government of the Punjab (Sponsor), a related party, against fee and expenses paid by the Company on its behalf for arranging DSRA-SBLC, required to be provided by the Sponsor under section 5.2 of the SSA.			
10.6	This includes Liquidated Damages (LDs) under the LTSA for failure to meet the guaranteed plant availability. Furthermore, it also includes the LDs charged to O&M contractor on account of lack of provision of plant guaranteed operational availability and unscheduled maintenances.			

11	Cash and bank balances	Note	2025 (Rupees in thousand)	2024	
	Cash in hand		410	1,000	
	Cash at bank	11.1	30,335,314	35,911,826	
			<u>30,335,724</u>	<u>35,912,826</u>	
11.1	Cash at bank is maintained in deposit accounts which carry mark-up at the rates ranging from 6.50% to 19% per annum (2024: 20.50% to 21% per annum). Funds are lien marked with the financiers and can only be used in accordance with the terms of the financing documents. In addition, Rs. 1,000 million are also lien marked as security in favor of NBP and BOP for gas SBLC provided to SNGPL.				
12	Issued, subscribed and paid up capital		2025 (Rupees in thousand)	2024	
	(Number of shares)				
	Authorized share capital				
	401,200,000	401,200,000	Ordinary shares of Rs. 100 each	40,120,000	40,120,000
	Issued, subscribed and paid-up capital				
	401,200,000	401,200,000	Ordinary shares of Rs. 100 each, fully paid in cash	40,120,000	40,120,000
12.1	401,199,998 ordinary shares of Rs. 100 each held by the GoPb through Energy Department and 1 ordinary share of Rs. 100 held by each of two nominee personnel of the GoPb.				
13	Long term financing - secured	Note	2025 (Rupees in thousand)	2024	
	Syndicated term finance facility				
	Conventional Facility:				
	National Bank of Pakistan		17,281,732	20,630,985	
	Habib Bank Limited		13,784,239	16,455,667	
	United Bank Limited		13,117,657	15,659,900	
	The Bank of Punjab	13.2 & 13.3	6,056,836	7,230,669	
	Askari Bank Limited		5,184,520	6,189,296	
	Musharakah facility:				
	Meezan Bank Limited		4,978,785	5,943,689	
	United Bank Limited		4,114,698	4,912,139	
		13.1	64,518,467	77,022,345	
	Transaction cost		(857,335)	(971,501)	
			63,661,132	76,050,844	
	Current portion of long term financing	13.4	(6,428,425)	(12,503,879)	
			<u>57,232,707</u>	<u>63,546,965</u>	
13.1	The Company has entered into the syndicated term financing facilities of Rs. 78,400 million which comprise of Conventional Facility and Musharakah Facility amounting to Rs. 67,350 million and Rs. 11,050 million respectively, at a rate of three months KIBOR plus 2.5% per annum. The principal amount of the facilities is repayable in twenty half yearly installments (each June 30th and December 31st) commencing from June 2023. The final maturity date is December 31, 2032. In case of any delayed payment, the Company shall be liable to pay by way of liquidated damages (and not by way of interest, profit or mark-up) an additional amount calculated at the rate of three percent per annum above the mark-up rate from the due date for such payment to the date of actual payment or recovery thereof, together with the costs and expenses incurred by the financiers (other than the Musharakah Participants) or any of them or (as the case may be) in effecting recovery thereof.				
13.2	This represents outstanding loan amount availed from an associated undertaking, BOP, in accordance with the terms of Syndicated Term Finance Facility Agreement.				
13.3	During the year, the Company has repaid the principal amount of long-term financing facility of Rs.12,503.88 million (2024: Rs. 1,201.29 million) including payment of Rs. 1,173.84 million (2024: Rs. 112.77 million) to BOP (an associated undertaking).				
13.4	It includes Rs. 603.48 million (2024: Rs. 1,173.84 million) payable to BOP (an associated undertaking).				

- 13.5 The facilities mentioned are secured with 25% margin over the facility amount by way of, inter alia:
- (a) a first ranking equitable mortgage, by deposit of title deeds, on the Mortgaged Immovable Property in favor of the Finance Parties, ranking pari passu inter se the Finance Parties;
 - (b) first ranking mortgage to each of the Finance Parties over all of the Assigned Project Receivables;
 - (c) first ranking hypothecation and charge and continue to hypothecate and charge to all present and future, fixed and current, tangible and intangible assets and Properties of the Company (i) other than the Permitted Accounts and the properties comprising the same together with the funds standing to the credit of each of the Permitted Accounts; (ii) the Assigned Energy Payment Receivables; (iii) the Assigned GSA Receivables; (iv) the Fuel Insurance Proceeds; (v) the Fuel stock; (vi) Encashment Receivables; and (vi) Mortgaged Immovable Property; whether owned or leased, both held now and hereinafter acquired of whatever kind and nature);
 - (d) first ranking lien and charge on: (i) the Project Accounts; and (ii) the Deposits;
 - (e) subordinated ranking mortgage to each of the Finance Parties over the Assigned Energy Payment Receivables & Assigned GSA Receivables;
 - (f) subordinated ranking mortgage to each of the Finance Parties over the Fuel Insurance Proceeds;
 - (g) subordinated ranking mortgage to each of the Finance Parties over the Encashment Receivables; and
 - (h) 51% of shares subject to the share pledge agreement together with verified blank share transfer deeds for such shares.
- 13.6 In pursuance of provincial Cabinet approval, the GoPb, the Company and the Financiers entered into a Sponsor Support Agreement (SSA) wherein commitments provided by the sponsor in terms of SSA, inter alia, are as follows: (a) Provision of Rs. 8,710 million as loan to the Company which is subordinated and repayable upon fulfilment of certain conditions as mentioned in note 19.1 to these financial statements. (b) The cost overruns, if any, incurred by the Company subject to the cap of up to a maximum amount of Rs. 5,600 million other than with respect to the obligation to fund foreign exchange cost overruns and claims amounts which obligation shall not be subject to any cap. (c) the sponsor shall provide DSRA - SBLC or a cash deposit equivalent to Rs. 7,513.86 million by the earlier of: (i) thirty (30) days before the first Payment Date; and (ii) five (5) months from the expiry date of the Availability Period. (d) The sponsor has also provided the Interest beyond construction period (IBCP) support amount of Rs. 7,811.37 million which is aggregate of the Mark-Up, profit, Variable Rental Payments incurred or to be incurred by the Company from the period commencing on the last day of the construction period i.e November 29, 2019 (as approved by NEPRA subject to one-time adjustments at COD) up to the last day of the Availability Period and as determined by the financiers. (e) The Sponsor agreed that if the Company is unable to pay in full excess debt component i.e. over and above NEPRA approved debt in the Final Tariff (other than the IBCP) within two years from the end of the Availability Period ("Long Stop Date"), it will pay the outstanding excess debt in the form of a lump sum bullet payment within thirty days from the Long Stop Date. The Sponsor shall also pay the IBCP amount within fifteen days from the date that NEPRA determines the COD stage tariff in which certain one-time adjustments are made. Provided always, the Financiers acting in their sole discretion may extend the time period for payment of IBCP. (f) The sponsor has also provided Government Guarantee and Debit Authority for an amount of Rs. 20,925 million to cover the commitments mentioned in (b), (c) and (d) above in Favor of financiers.

14	Staff retirement benefits	Note	2025 (Rupees in thousand)	2024
	Amount recognized in the statement of financial position			
	Present value of defined benefit obligation	14.1	182,129	146,593
14.1	Changes in present value of defined benefit obligation			
	Present value of defined benefit obligation at beginning of the year		146,593	94,530
	Current service cost		33,591	28,310
	Interest cost on defined benefit obligation		20,231	14,888
	Benefits paid		(4,161)	-
	Remeasurements:			
	- Actuarial (gain) / loss from change in financial assumptions		(12,773)	7,661
	- Experience adjustments		(1,352)	1,204
	Present value of defined benefit obligation at end of the year		182,129	146,593
14.2	Charge for the year			
	Current service cost		33,591	28,310
	Interest cost on defined benefit obligation		20,231	14,888
			53,822	43,198

	2025 (Rupees in thousand)	2024
14.2.1 Charge for the year has been allocated as follows:		
Cost of sales	18,084	17,206
Administrative expenses	35,738	25,992
	<u>53,822</u>	<u>43,198</u>
14.3 Total remeasurements chargeable in other comprehensive income		
Remeasurements of plan obligation:		
- Actuarial (gain) / loss from change in financial assumptions	(12,773)	7,661
- Experience adjustments	(1,352)	1,204
Total remeasurements chargeable in other comprehensive income	<u>(14,125)</u>	<u>8,865</u>
14.4 Changes in net liability		
At beginning of the year	146,593	94,530
Charge for the year	53,822	43,198
Benefits paid	(4,161)	-
Actuarial (gain) / loss on remeasurement of staff retirement benefits	(14,125)	8,865
	<u>182,129</u>	<u>146,593</u>

14.5 Estimated expenses to be charged in statement of profit or loss in next year

The estimated expense to be charged in the statement of profit or loss for the year ending June 30, 2026 will be Rs. 57.89 million.

14.6 Significant Actuarial Assumptions

The Company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on assumptions as mentioned in the relevant note. The principal assumptions used for valuation of the defined benefit scheme are as under:

	2025	2024
Discount rate used for interest cost	14.00%	15.75%
Discount rate used for year-end obligation	12.50%	14.00%
Salary Increase FY 2026 onwards	12.00%	12.57%
Retirement assumption	65 years	65 years
Weighted average duration of defined benefit obligation	13 years	13 years
Method of actuarial valuation used	Project unit credit actuarial cost method	

Mortality rate

The rates assumed were based on the SLIC 2001 - 2005 with 1 year setback.

14.7 Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected rate of salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant:

- If the discount rate is 100 basis points higher / (lower), the defined benefit obligation would decrease to Rs. 160.26 million (2024: Rs. 128.92 million) / increase to Rs. 209.02 million (2024: Rs. 168.37 million) respectively.

- If the expected rate of salary increases / (decreases) by 100 basis points, the defined benefit obligation would increase to Rs. 209.33 million (2024: Rs. 168.54 million) / decrease to Rs. 159.62 million (2024: Rs. 128.47 million) respectively.

	2025 (Rupees in thousand)	2024
14.8 Maturity profile of the defined benefit obligation		
Expected benefit payments (time in years)		
1	7,882	7,233
2	31,175	8,364
3	9,216	33,110
4	24,744	10,008
5	27,488	27,480
6 to 10	96,803	65,356
11 and above	9,839,925	138,484

The average duration of the defined benefit obligation is 13 years.

15	Lease liability	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
	Balance as at July 01		63,316	25,941
	Addition during the year		7,935	62,080
	Markup on lease liability during the year	26	14,074	2,322
	Payments made during the year		(29,619)	(27,027)
			(7,610)	37,375
	Closing balance		55,706	63,316
	Current portion of lease liability		(25,883)	(16,758)
			29,823	46,558

15.1 The undiscounted minimum lease payments of the lease liabilities are as follows:

	2025 (Rupees in thousand)		
	Minimum lease payments	Finance cost for future periods	Present value of minimum lease payments
Not later than one year	35,781	9,898	25,883
Later than one year but not later than five years	33,483	3,660	29,823
	69,264	13,558	55,706

	2024 (Rupees in thousand)		
	Minimum lease payments	Finance cost for future periods	Present value of minimum lease payments
Not later than one year	29,587	12,829	16,758
Later than one year but not later than five years	58,486	11,928	46,558
	88,073	24,757	63,316

16	Trade and other payables	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
	Payable to contractors		3,330,547	2,265,746
	Payable to suppliers		1,093,706	4,409,862
	Payable to consultants		7,112	229,691
	Retention money payable		3,451,085	3,445,635
	Provision for EPC related works / equipment	16.1	2,325,573	1,974,531
	Workers' Profit Participation Fund	16.2	637,074	466,573
	Punjab Workers' Welfare Fund	16.3	252,205	184,005
	Finance cost payable	16.4	270	20,135
	Accrued and other liabilities	16.5	1,954,013	792,320
	Interim relief liability	16.6	4,097,813	2,492,427
			17,149,398	16,280,925

16.1 This represents liability accrued for items of plant and equipment received along with the completion for related works net of LDs receivable from EPC contractor (based upon overall percentage of completion of works) after adjusting for advance given and invoices raised by EPC Contractor. However, actual payments to the EPC Contractor are to be made after completion of milestones as per the terms of the EPC Agreement.

16.2	Workers' Profit Participation Fund	2025 (Rupees in thousand)	2024 (Rupees in thousand)
	Opening balance	466,573	6,561
	Provision for the year	631,886	460,012
	Payment made during the year	(461,385)	-
	Closing balance	637,074	466,573

		2025	2024
		(Rupees in thousand)	
16.3	Punjab Workers' Welfare Fund		
	Opening balance	184,005	-
	Provision for the year	252,754	184,005
	Payment made during the year	(184,554)	-
	Closing balance	<u>252,205</u>	<u>184,005</u>
16.4	This includes Nil (2024 : Rs. 2.90 million) payable to associated undertaking - The Bank of Punjab on account of monitoring fee in accordance with long term financing agreements.		
16.5	This includes Rs. 0.04 million (2024 : Rs. 0.40 million) payable to associated undertaking - Director General Public Relation (DGPR) on account of advertisement expenses.		
16.6	This represents interim relief allowed by NEPRA on certain components which are likely to be actualized / true down as per NEPRA's reference tariff determination dated December 27, 2017.		
17	Accrued markup / profit	Note	2025 (Rupees in thousand)
	Markup / profit payable under project finance facilities:		
	Conventional financing facilities	17.1	-
	Islamic financing facilities		7,992,462
			<u>1,311,310</u>
			<u>-</u>
			<u>9,303,772</u>
17.1	This includes Nil (2024: Rs. 873.42 million) markup payable to related party, The Bank of Punjab under syndicated term finance facility agreement.		
18	Short term borrowings - secured	Note	2025 (Rupees in thousand)
	From banking companies:		
	Conventional financing facilities		-
	Islamic financing facilities		14,043,320
			<u>6,436,414</u>
		18.1	<u>6,436,414</u>
			<u>21,900,095</u>
18.1	Breakup of short term borrowings		
	Conventional financing facilities:		
	United Bank Limited		-
	National Bank of Pakistan		4,060,000
	Habib Bank Limited		-
	The Bank of Punjab	18.1.1	4,003,333
	Askari Bank Limited		3,249,987
			-
		18.1.2	1,430,000
			-
			1,300,000
			<u>14,043,320</u>
	Running Musharka facilities:		
	Islamic financing facilities		
	Meezan Bank Limited	18.1.2	6,436,414
	Dubai Islamic Bank Pakistan Limited		-
			6,169,999
			<u>1,686,776</u>
			<u>6,436,414</u>
			<u>7,856,775</u>
	Total short term borrowings	18.1.3	<u>6,436,414</u>
			<u>21,900,095</u>
18.1.1	This represents loan availed from an associated undertaking - The Bank of Punjab in accordance with the terms of First Working Capital Agreement. At the year end availed balance is Nil (2024: Rs. 1,430 million) and maximum available facility limit is Rs. 1,430 million.		
18.1.2	The Company has arranged short-term Working Capital Finance (WCF) facilities amounting to Rs. 25,713 million, comprising first		

working capital facility agreement of Rs. 14,043 million (2024: Rs. 14,043 million) and running Musharakah agreement of Rs. 1,170 million (2024: 1,170 million) to meet its working capital needs. In addition, the Company has secured further Musharakah facilities of Rs. 10,500 million (2024: Rs. 7,000 million) for additional requirements. The availability periods of these facilities range from January 2025 to May 2026, with options for extension, and carry mark-up / Musharakah profit rates between 0.8% and 2% (2024: 1% to 2%) per annum over three-month KIBOR.

18.1.3 These facilities are secured with 25% margin over the facility amount by way of, inter alia:

- (a) first ranking mortgage to each of the Working Capital Finance Parties all and each of the Assigned Receivables.
- (b) first ranking lien and charge on the Working Capital Accounts, by way of a continuing security in favor of the Working Capital Finance Parties. The Working Capital Finance Parties shall have a right of set-off, right of transfer, and right of appropriation on the amounts standing to the credit of the Working Capital Accounts.
- (c) first ranking hypothecation and charge ranking pari passu inter se the Working Capital Finance Parties and superior to (i) the security created over the Assigned Energy Payment Receivables and Assigned GSA Receivables in favor of SBLC Finance Parties in terms of the SBLC Documents; and (ii) the security created over the Hypothecated Property in favor of the Senior Financiers.

Moreover, the facilities are secured up to the facility amount by way of, inter alia:

- (d) The Company hypothecates and charges all of the Hypothecated Property (Subordinated Charge) to each of the Working Capital Finance Parties which shall rank subordinated to the security created over the Hypothecated Property (Subordinated Charge) in favor of the Senior Financiers.
- (e) The Company creates an equitable mortgage on the Mortgaged Immovable Property by deposit of title deeds, on a ranking basis, ranking pari passu inter se the Working Capital Financiers (which mortgage shall rank subordinated and subservient to the mortgage in favor of the Senior Financiers).

19	Loan from sponsor - unsecured	Note	2025	2024
			(Rupees in thousand)	
	Subordinated loan from sponsor - unsecured	19.1	8,710,000	8,710,000
	Cost over run support from sponsor	19.2	25,000,000	25,000,000
			<u>33,710,000</u>	<u>33,710,000</u>

- 19.1 This represents interest free loan which was provided as a sponsor support in accordance with the requirement of SSA and the loan agreement dated August 28, 2020 which was amended and restated on February 15, 2021 to incorporate certain terms and conditions of financing agreements. Accordingly, the loan is subordinated and repaid in accordance with the terms and conditions of the financing agreements. The loan is classified as a current liability on the assumption that settlement with the Sponsor was expected within 12 months following DAB's determination on the claims raised by the Engineering, Procurement, and Construction (EPC) Contractor. Based on the merits, it was likely that the decision of the DAB ought to be in favor of the Company. During the year, the DAB issued its decision on the claims, however, both parties filed dissatisfaction to the extent to DAB decision against them. CMEC also indicated to resolve the matter amicably, the outcome of the same is currently pending resolution. The Company believes that it will be able to settle the loan in terms of the financing documents after obtaining requisite approval from the Financiers.
- 19.2 Pursuant to the SSA, the sponsor was obligated to fund cost overruns, i.e. costs incurred over and above the project cost approved by the Financiers. Accordingly, the Sponsor provided funds in tranches in the form of a loan. Subsequent to the completion of the project, the Company imposed delay LDs on the EPC contractor, which have been significantly adjusted against milestone payments. Consequently, the sponsor support for cost overruns is not expected to be fully utilized. Furthermore, the Company filed its COD tariff true-up petition with the Authority on April 11, 2025, which is expected to be decided expeditiously in view of the Company's cash flow constraints. The treatment of the above sponsor support / loan will be determined in due course based on the outcome of the petition and regulatory approval. Based upon the determination from the Authority, the Company expects to repay / settle the balance in the next year in accordance with the financing arrangements and after obtaining requisite approval from the Financiers, and has accordingly classified the loan as a current liability.

20 Contingencies and commitments

20.1 Contingencies

- 20.1.1 Constitutional petition W.P. No. 94609/2017 dated October 25, 2017 (Munir Ahmad Vs. Federation of Pakistan etc.) was filed against all public sector companies of GoPb, whereby the creation of these companies along with their functions / roles was challenged before Honorable Lahore High Court (LHC). The petition was also clubbed with another writ petition i.e. W.P. No. 112301/2017 titled (Shan Saeed vs. Federation of Pakistan etc.). The Report & Para wise comments were submitted by the Company on January 26, 2018. Last hearing on the matter was conducted on October 24, 2022 whereby no significant developments in the case were noted and the matter is pending for adjudication at the reporting date. The legal advisors of the Company are of the opinion that this case will likely to be decided in favor of the Company.
- 20.1.2 The Deputy Commissioner of Inland Revenue ("DCIR") issued show cause notice dated February 18, 2021 under section 122(5)/(9) of the Income Tax Ordinance, 2001 (the Ordinance) and claimed that the Company has paid lesser amount of income tax of Rs. 12.05 million and has not deposited Workers' Welfare Fund (WWF) of Rs. 3.80 million in the Tax Year 2019. The Company's tax consultant is of the view that as per section 39 of the Ordinance, tax on income on other sources will be taken on receipt basis for the purposes of income tax return which has already been complied with by the Company while filing the return. Furthermore, WWF was not applicable on the government owned entities during the Tax Year 2019. However, the DCIR issued order on March 19, 2021 under section 122(5)/(9) of the Ordinance and created impugned demand amounting to Rs. 16.34 million. Being aggrieved, the Company preferred an appeal no. 6552A dated April 14, 2021, before Commissioner Inland Revenue - Appeals (CIRA), who confirmed the order of tax department on the issues of profit on debt and remanded back the issue of WWF to DCIR. Being aggrieved, the Company preferred an appeal dated August 24, 2022, before Appellate Tribunal Inland Revenue (ATIR). No subsequent hearings with ATIR were conducted in this regard and the matter is pending adjudication.
- 20.1.3 DCIR issued a notice on June 23, 2021, under section 147 of the Income Tax Ordinance, requesting evidence of tax deducted or paid by the Company, as claimed during the filing of advance tax intimation. The Company made due compliance of the said notice, however, DCIR issued another notice on June 30, 2021, whereby DCIR assumed a tax liability of Rs. 164.18 million for the quarters ended December 2020, March 2021, and June 2021, and created an impugned demand of Rs. 32.90 million. Being aggrieved, based on the fact that the Company has already calculated and paid the tax liability of Rs. 131.28 million based on the actual interest earned during the respective three quarters, the Company filed an appeal dated July 28, 2021, before CIRA, whereby the case was remanded back to the assessing officer on May 28, 2022, with the direction to provide proper opportunity to the Company of being heard and issue the speaking order. In this regard, the tax department has not initiated remand back proceedings till date.
- 20.1.4 In pursuance of the NEPRA's clarification on the matter of applicability of relevant fuel cost component for post synchronization testing, the parties in terms of PPA agreed to claim Rs. 615 million as test energy whereas remaining Rs. 594 million claimed as part of test & commissioning cost after adjustment of related sales tax payable of Rs. 91 million.
- 20.1.5 CMEC submitted various claims to the Company for an extension of time (EOT) and additional costs and thereafter, submitted a consolidated breakdown for the period up to December 31, 2021. These claims demanded an EOT of 1,242 days and additional costs totaling USD 76 million.

Further in June 2022, in continuation of above submissions, CMEC also requested an upfront waiver to impose Liquidated Damages (LDs) for the delays, confirmation of EOT and additional cost claims, asserting that timely project completion was at risk. In this regard, CMEC also cited cash flow constraints and liquidity issues resulting from prolonged project delays, which hindered their ability to secure loans or allocate funds from their head office. Moreover, based on the Company's consultants' preliminary evaluation of CMEC's consolidated claims, it was observed that these demands were deemed non-contractual and legally invalid, thus not accepted.

However, in order to expedite the project completion, various options were evaluated and deliberated. After colossal efforts and tireless discussions with CMEC, the parties mutually agreed to an option of referring the claims to Dispute Adjudication Board (DAB) in terms of the EPC Agreement with contingent payment of Rs. 3,000 million in tranches. The same was considered as most plausible in given circumstances and applicable framework. In this regard, it was also contended that the rights and remedies of both parties will remain secured, under the existing EPC contract and this arrangement will not be construed as extension of time and acceptance of claim of CMEC. Keeping this in view, the parties entered into Supplemental Agreement (SA) on August 11, 2022, after obtaining requisite approvals from respective board of directors and financiers. Accordingly, the funds provided by GoPb, under the SSA for various sponsor support commitments, were utilized for the contingent payment of Rs. 3,000 million which was to be adjusted at the time of DAB determination or arbitration as the case may be. Thus, the deadlock came to an end and the work on the project moved towards its completion.

On February 6, 2024, the DAB established a procedural timeline for CMEC and the Company to submit their claims and responses. After both parties submitted their claims and responses, the DAB conducted proceedings and rendered its decision on December 11, 2024. The DAB in its determination has disallowed the majority of the cost claims to CMEC except few items related to taxation and other matters amounting to USD 3.83 million (out of USD 76 million) and also denied any extension of time.

Under the EPC Agreement, both parties had 28 days to challenge the DAB's decision by filing a notice of dissatisfaction. If neither party files this notice within the 28-day period, the DAB's decision becomes final and legally binding. When a notice of dissatisfaction is filed, the parties must first try to resolve their differences through amicable discussion.

Both parties filed notices of dissatisfaction to the extent of relevant DAB decision against them , however CMEC indicated and agreed to resolve the matter amicably. Subsequent to the filing of notices of dissatisfaction, the both parties are in the process of mutually deciding for an amicable outcome, hence no arbitration proceeding were initiated by the parties. Pending the resolution of the matter no provision have been made in the financial statements.

- 20.1.6 FBR through an assessment order dated November 24, 2022, issued a demand notice to CMEC for recovery of Rs. 6,881 million related to the Tax Year 2021. Consequently, FBR recovered Rs. 759 million from CMEC's bank accounts, and also served a notice to PTPL to withhold the balance amount from payments due to CMEC and remit to FBR. PTPL, through its legal and tax advisors, responded through a letter dated May 04, 2023, against the notice served by FBR, seeking clarification regarding the legal position of the authority raising the notice in terms of the Ordinance. Additionally, CMEC challenged the FBR's recovery action in LHC. LHC through its order dated December 11, 2023 has granted a stay on further coercive recovery measures, pending a final decision and directed FBR to reimburse the amount recovered from the bank accounts of CMEC. Keeping in view that FBR has already withdrawn its notice, served to PTPL regarding withholding and submission of the balance amount from the payments to CMEC, through order dated June 12, 2023 and based on the fact that LHC has also granted stay on the impugned notice of FBR to CMEC, PTPL has not made any withholding from the payments of CMEC for remittance to FBR. Management is of the view that no adverse outcome is expected.

20.2 Commitments:

- 20.2.1 The Company's commitment in respect of EPC contract with CMEC is Rs. 69.15 million (2024: Rs. 507 million) and consultancy agreement with National Engineering Services Pakistan (NESPAK) is amounting to Nil (2024: Rs. 346.65 million).
- 20.2.2 The Company's commitment in respect of O&M agreement with Harbin Electric International Company Limited is approximately USD 118.42 million (2024: USD 134.36 million) (without indexation) based on normal operational regime and remaining term of the agreement (i.e ten years). Actual payments shall be made in terms of the agreement.
- 20.2.3 The Company's commitment in respect of Long Term Service Agreement ("LTSA") with Siemens Pakistan Engineering Company Limited is approximately USD 99.21 million (2024: USD 110.23 million) (without indexation) based on normal operational regime and remaining term of the agreement (i.e nine years). Actual payments shall be made in terms of the agreement.
- 20.2.4 The Company's commitment in respect of various fees towards Mandated Lead Arrangers (MLAs) for Project Finance Facility is Rs. 96.72 million (2024: Rs. 108.81 million).
- 20.2.5 The Company's commitment in respect of ERP Implementation and Related Services with A. F. Ferguson & Co. (A member firm of PwC network) is amounting to Rs. 193.70 million (2024: Nil).
- 20.2.6 In pursuance of the terms of the Gas Supply Agreement (GSA) the Company is obligated to provide gas security deposit to the Sui Northern Gas Pipelines Limited (SNGPL). Accordingly, the Company had entered into the SBLC facility agreement with NBP and BOP for the provision of SBLC up to Rs. 10,476 million (SBLC facility amount). The main purpose of the SBLC is to guarantee the payments up to the SBLC facility amount to the gas supplier; in the event of failure by the Company to pay the supplier in accordance with the terms of GSA. The facility is secured by way of GoPb guarantee and the debit authority of Rs. 9,476 million and a cash margin of Rs. 1,000 million. Moreover, security / charge had been created by way of assignment over energy payment receivable and GSA receivable which shall rank subordinated only to the security in favor of working capital finance parties. First ranking charge over the encashment receivable and first ranking lien and charge over the SBLC account and all amounts standing to the credit of SBLC account.

21	Revenue from contract with customer	Note	2025	2024
			(Rupees in thousand)	
	Capacity Purchase Price (CPP)	21.1	16,763,211	33,011,281
	Energy Purchase Price (EPP)	21.1	51,123,264	87,090,010
	Revenue from test energy		-	1,368,978
			67,886,475	121,470,269
	Sales tax		(7,798,464)	(13,493,744)
			60,088,011	107,976,525
21.1	It includes revenue recognized for an amount of Rs. 9,145 million during the year (2024: Rs. 20,550 million) pursuant to the interim relief granted by NEPRA .			
22	Cost of sales	Note	2025	2024
			(Rupees in thousand)	
	Fuel cost - RLNG		41,870,890	72,616,220
	Fuel cost - Testing and commissioning		-	1,160,151
	Operation and maintenance fee	22.1	2,363,662	3,083,743
	Operational phase plant insurance		1,212,455	1,440,836
	Other operating cost	22.2	450,254	376,350
	Depreciation	5.2	3,588,950	3,639,952
		22.1	49,486,211	82,317,252

22.1	This represents cost net of Liquidated Damages (LDs) under LTSA and O&M agreements against failure to meet the guaranteed plant availability and for unscheduled maintenance under O&M agreement.		
22.2	This includes Rs. 18.08 million (2024: Rs. 17.20 million) charged in respect of provision for gratuity during the year.		
23	Administrative expenses	Note	<div>2025</div> <div>2024</div> <div>(Rupees in thousand)</div>
	Salaries, wages and benefits	23.1	467,127 440,952
	Rent, rate and taxes		12,569 12,683
	Office supplies and entertainment expense		10,113 6,959
	Printing and stationery		5,857 5,859
	Advertisement expenses		799 3,782
	Communication charges		8,072 7,420
	Utilities		7,754 7,806
	Vehicle running expenses		37,870 34,842
	Travelling and lodging cost		47,272 53,572
	Auditors remuneration	23.2	5,644 3,675
	Directors' fee		9,091 7,275
	Legal and professional charges		204,739 154,118
	Depreciation and amortization	5.2 & 7	32,767 18,749
	Depreciation on right of use asset	6	22,898 20,019
	Security expenses		3,175 2,876
	Repair and maintenance		13,466 15,387
	Others		7,877 6,154
			<u>897,090</u> <u>802,128</u>
23.1	This include Rs. 35.74 million (2024: Rs. 25.99 million) charged in respect of provision for gratuity during the year.		
23.2	Auditors' remuneration	Note	<div>2025</div> <div>2024</div> <div>(Rupees in thousand)</div>
	External audit fee		2,730 2,258
	Review report on code of corporate		263 210
	Half yearly review		1,050 788
	Special assignments		1,102 84
	Out of pocket expenses		499 335
			<u>5,644</u> <u>3,675</u>
24	Other expenses		
	Provisional loss on damaged assets - written off	4.3	3,703,229 -
	Receivables from CPPAG - write off	24.1	3,362,839 -
	Exchange loss		7,453 -
	Workers' Profit Participation Fund		630,514 225,775
	Punjab Workers' Welfare Fund		258,527 90,310
			<u>7,962,562</u> <u>316,085</u>
24.1	This represents the write off of delayed payment interest of Rs. 2,665 million and disputed Part Load Correction Factor (KL) revenue of Rs. 697 million, previously recognized as income, in accordance with the terms of the Negotiated Settlement Agreement (NSA) duly approved by the Cabinet and the Board of Directors of the Company.		
25	Other income	Note	<div>2025</div> <div>2024</div> <div>(Rupees in thousand)</div>
	Profit on deposit accounts	25.1	3,913,043 4,490,369
	Delayed payment interest - on trade debts		1,562,434 2,606,314
	Exchange gain		- 24,474
	Compensation from insurer	4.3	18,328,717 -
	Scrap sales and other miscellaneous income		4,871 652
			<u>23,809,065</u> <u>7,121,809</u>
25.1	Deposit accounts carry profit rate ranging from 6.50% to 19% per annum (2024: 20.50% to 21% per annum). This also includes income amounting to Rs. 30.31 million (2024: Rs. 151 million) from BOP, which is a related party.		

		2025	2024
		(Rupees in thousand)	
26	Finance cost		
	Markup / profit on long term financing	26.1	12,494,653
	Markup / profit on short term borrowings	26.2	1,034,741
	Other finance cost		171,946
	Bank charges		387
	Markup on lease liability		14,074
	Amortization of transaction cost		114,165
		<u>13,829,966</u>	<u>22,751,263</u>

- 26.1 This also includes markup / profit charged by BOP amounting to Rs. 1,168.17 million (2024: Rs. 1,809 million), which is the related party.
- 26.2 This also includes markup / profit charged by BOP amounting to Rs. 56.98 million (2024: Rs. 194.29 million), which is the related party.

		2025	2024
		(Rupees in thousand)	
27	Taxation		
	For current year		1,097,602
	For prior year		368,058
	Receivable from CPPA-G	27.1	(1,115,279)
		27.2	<u>1,465,660</u>

- 27.1 This represents an amount recoverable from CPPA-G as per terms of the PPA as a pass through item.
- 27.2 No deferred tax asset / liability has been recognized as future tax payments in respect of generation, sale, exportation or supply of electricity are pass through items as per PPA and shall be claimable from CPPA-G, resulting into no taxable temporary differences.

		2025	2024
		(Rupees in thousand)	
27.3	Tax charge reconciliation		
	Accounting profit	<u>11,721,247</u>	<u>8,911,606</u>
	Income tax charge @ 29%	<u>3,399,162</u>	<u>2,584,366</u>
	Tax effect of:		
	- Prior year adjustment	368,058	(85,120)
	- Alternate corporate tax	(1,514,973)	1,514,855
	- Minimum tax	(279,282)	-
	- Super tax	889,891	-
	- B/f Loss @ 29%	(578,717)	-
	- Non-recognition of deferred tax due to the reason explained in note 27.2	(818,479)	(2,584,366)
	- Recognized as pass through from CPPA	-	(1,115,279)
		<u>(1,933,502)</u>	<u>(2,269,910)</u>
	Tax expense for the year	<u>1,465,660</u>	<u>314,456</u>

28 Financial risk management

28.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by the management as per the guidance of the Board of Directors.

During the development phase, key risks (interest rate, foreign exchange, credit) were covered under NEPRA approved tariff. Adverse interest / exchange rate impacts beyond this tariff are backstopped by the project financing and sponsor via SSA. The Company's overall risk management program is designed to address the unpredictability of financial markets, ensure adequate working capital funding, and mitigate potential adverse impacts on its financial performance.

(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.

The Company is exposed to currency risk arising from the variation in US Dollar and the Euro. Currency risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the Company's functional currency.

Exposure to foreign currency risk

The Company's exposure to foreign currency risk at reporting date based on notional amounts is as follows:

	2025		2024	
	USD	Euro	USD	Euro
Current assets				
Advances, prepayments, deposits and other receivables	40,881,644	-	-	-
Current liabilities				
Trade and other payables	4,030,560	-	4,503,853	725,706
Sensitivity analysis:	Change in assumption		Increase in assumption	Decrease in assumption
	%		(Rupees in thousand)	
Current assets				
Advances, prepayments, deposits and other receivables (USD) - June 30, 2025	1		115,892	(115,892)
Advances, prepayments, deposits and other receivables (USD) - June 30, 2024	1		-	-
Current liabilities				
Trade and other payables (USD) - June 30, 2025	1		11,434	(11,434)
Trade and other payables (Euro) - June 30, 2025	1		-	-
Trade and other payables (USD) - June 30, 2024	1		12,534	(12,534)
Trade and other payables (Euro) - June 30, 2024	1		2,166	(2,166)

(ii) Interest rate risk

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

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

	2025	2024
	(Rupees in thousand)	
Financial assets		
Floating rate instruments		
Trade debts	12,253,139	45,961,744
Bank balances	30,335,314	35,911,826
	<u>42,588,453</u>	<u>81,873,570</u>
Financial liabilities		
Floating rate instruments		
Long term financing - secured	63,661,132	77,022,345
Short term borrowings - secured	6,436,414	21,900,096
	<u>70,097,546</u>	<u>98,922,441</u>
Effective interest rate	2025	2024
Long term financing - secured	14.64% to 22.74%	23.96% to 25.41%
Short term borrowings - secured	11.96% to 22.24%	22.00% to 24.91%
Interest rate sensitivity analysis	Increase / decrease in	Effect on profit before tax
	(Rupees in thousand)	
Long term financing - secured		
	2025	1% (636,611)
		-1% 636,611
	2024	1% (770,223)
		-1% 770,223
Short term borrowings - secured		
	2025	1% (64,364)
		-1% 64,364
	2024	1% (219,001)
		-1% 219,001

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.

(iii) Price risk

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 equity price risk since there are no investments in equity securities.

(b) Credit risk and concentration of 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. There is no geographical concentration of credit risk. The Company's credit risk is primarily attributable to its long term deposits, trade debts and its bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2025	2024
	(Rupees in thousand)	
Financial assets		
Long term deposits	40,062	38,964
Trade debts - secured	12,253,139	45,961,744
Security deposit	16	16
Interest accrued on saving accounts	1,336,753	2,331,467
Bank balances	30,335,314	35,911,826
	<u>43,965,284</u>	<u>84,244,017</u>

The credit quality of bank balances 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 Agency	Rating Short term	Rating Long term	2025	2024
				(Rupees in thousand)	
National Bank of Pakistan	PACRA	A1+	AAA	30,328,457	35,901,917
The Bank of Punjab	PACRA	A1+	AA+	4,050	9,488
Meezan Bank Limited	VIS	A1+	AAA	2,807	420
Askari Bank Limited	PACRA	A1+	AA+	-	1
				<u>30,335,314</u>	<u>35,911,826</u>

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, Company does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal. The funds are lying in bank accounts opened with financiers in terms of the facility documents.

(c) Liquidity risk

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

The Company follows an effective cash management to ensure availability of funds and to take appropriate measures for new requirements. The Company manages liquidity risk by arrangement of new short term and long term finance facility from the banks along with the short term loan from the Sponsor. Additionally, the Sponsor has also agreed to provide various sponsor supports under the SSA.

The following are the contractual maturities of financial liabilities as at June 30, 2025:

	Carrying Amount	Contractual Cash flows	Less than 1 year	Between 2 to 5 years	Over 5 years
			(Rupees in thousand)		
Long term financing - secured	63,661,132	64,518,466	6,428,425	31,911,156	26,178,885
Loan from sponsor - unsecured	33,710,000	33,710,000	33,710,000	-	-
Lease liability	55,706	69,240	35,758	33,482	-
Short term financing - secured	6,436,414	6,436,414	6,436,414	-	-
Trade and other payables	16,260,119	16,260,119	16,260,119	-	-
	<u>120,123,371</u>	<u>120,994,239</u>	<u>62,870,716</u>	<u>31,944,638</u>	<u>26,178,885</u>

The following are the contractual maturities of financial liabilities as at June 30, 2024:

	Carrying Amount	Contractual Cash flows	Less than 1 year	Between 2 to 5 years	Over 5 years
			(Rupees in thousand)		
Long term financing - secured	76,050,844	174,192,444	39,409,839	81,387,299	53,395,306
Loan from sponsor - unsecured	33,710,000	33,710,000	33,710,000	-	-
Lease liability	63,316	27,051	27,051	-	-
Short term financing - secured	31,203,866	31,203,866	31,203,866	-	-
Trade and other payables	15,630,347	15,630,347	15,630,347	-	-
	<u>156,658,373</u>	<u>254,763,708</u>	<u>119,981,103</u>	<u>81,387,299</u>	<u>53,395,306</u>

28.2 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements are approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

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

As of reporting date, there were no assets or liabilities that requires classification Level 1, 2 or 3.

28.3 Financial instruments by categories

Financial asset at amortized cost

	2025 (Rupees in thousand)	2024
Long term deposits	40,062	38,964
Security deposits	16	16
Trade debts - secured	12,253,139	45,961,744
Interest accrued on saving account	1,336,753	2,331,467
Insurance claim receivable	11,589,191	-
Other receivables	1,785,544	724,128
Cash and bank balances	30,335,314	35,911,826
	<u>57,340,019</u>	<u>84,968,145</u>

Financial liabilities at amortized cost

Long term financing - secured	63,661,132	76,050,844
Loan from sponsor - unsecured	33,710,000	33,710,000
Short term borrowings - secured	6,436,414	21,900,095
Lease liability	55,706	63,316
Trade and other payables	16,260,119	15,630,347
	<u>120,123,371</u>	<u>147,354,602</u>

28.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is obligated to satisfy the requirements of various concession and financing documents of the project. The project is being executed with a 70:30 debt to equity ratio. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions.

Following is the gearing ratio of the Company which is calculated by dividing the total borrowings to total equity as shown in financial statements.

	2025 (Rupees in thousand)	2024
Long term financing - secured	63,661,132	76,050,844
Loan from sponsor - unsecured	33,710,000	33,710,000
Short term borrowings - secured	6,436,414	21,900,095
Total borrowings	<u>103,807,546</u>	<u>131,660,939</u>
Issued, subscribed and paid up capital		
Ordinary shares of Rs. 100 each	40,120,000	40,120,000
Unappropriated profit	17,860,173	7,590,461
Total equity	<u>57,980,173</u>	<u>47,710,461</u>
Total capital employed	<u>161,787,719</u>	<u>179,371,400</u>
Gearing ratio	<u>64%</u>	<u>73%</u>

29 Remuneration to Chief Executive, Directors and Executives

The aggregate amount charged in the accounts for remuneration including all benefits to Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	(Rupees in thousand)					
Remuneration	58,033	43,123	-	-	357,895	249,754
Meeting Fee	-	-	9,091	9,150	-	-
Reimbursement of expenses	1,375	1,592	-	293	17,838	10,305
Others	5,134	3,773	-	-	35,371	25,862
	<u>64,542</u>	<u>48,488</u>	<u>9,091</u>	<u>9,443</u>	<u>411,104</u>	<u>285,921</u>
Number	1	1	9	11	48	42

In addition to the above, accrued remuneration and honorarium / rewards benefits for an amount of Rs. 9.22 million (2024: Rs. 11.96 million) and Rs. 56.89 million (2024: Rs. 73.16 million) for Chief Executive and other Executives respectively have been recorded in these financial statements.

30 Number of employees

	2025	2024
Total number of employees as at June 30	82	82
Average number of employees during the year	82	82

31 Related party transactions and balances

The related parties comprise of the GoPb, principal shareholder, its associated undertakings, other related undertakings, Board of Directors and key management personnel.

Name of Parties	Relationship with the company	Nature of transactions/ balances	2025 (Rupees in thousand)	2024
Directorate General Public Relations	Common control	Advertisement expenses	653	3,202
Key Management Personnel	Key Management Personnel	Remuneration and other benefits paid	238,524	253,249
		Retirement benefit paid	-	-
The Bank of Punjab	Common control	Bank charges paid	-	55
		Interest income	30,306	146,954
		Interest expense	1,225,144	2,003,735
		Financing fee and charges	233,549	194,300

31.1 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers all members of their senior management team, including chief executive officer and directors to be its key management personnel.

31.2 Transaction with related parties are being conducted at mutually agreed terms and disclosed under respective notes.

31.3 Transaction with directors are also disclosed under note 29.

31.4 Certain key management personnel are also provided with the use of the Company's maintained cars.

32 Capacity and production

	2025 MWH	2024 MWH
Maximum energy generation capability (per annum)	10,899,280	10,899,280
Maximum energy generation capability	10,899,280	10,899,280
Total Output	1,757,265	3,163,701
Load Factor	16.12%	29.03%

33 Date of authorization

These financial statements were approved and authorized for issue on 06 Nov 2025 by the Board of Directors of the Company.


34 General

34.1 Figures in these financial statements have been rounded off to nearest thousands of rupees.

34.2 Corresponding figures have been re-arranged and / or reclassified, where ever considered necessary, for the purpose of better presentation of the financial statements. However, no significant reclassification has been made in these financial statements.

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CHIEF EXECUTIVE


Director

PROXY FORM

PUNJAB THERMAL POWER (PRIVATE) LIMITED

I/We _____ S/o _____ R/o _____
being the member(s) of **PUNJAB THERMAL POWER (PRIVATE) LIMITED** hereby appoint Mr./Mrs./Miss _____ of (who is also member of the Company vide Registered Folio No. _____ (being member of Company) as my/ our Proxy to attend at and vote for my/ us and on my/ our behalf at the _____ Annual/ Extra Ordinary General Meeting of the Company to _____ be _____ held _____ at _____ on _____ at _____ and at any adjournment thereof.

Signed this _____ day of _____ 2025

WITNESSES:

Signature: _____
Name: _____
Address: _____
CNIC No. _____

Signature: _____
Name: _____
Address: _____
CNIC No. _____

Please affix
Rupees five
revenue stamp

Signature

Signature should
agree with the
specimen signature
registered with the
Company

Note:

The Form of Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting. A proxy must himself be a member of the Company.