Riaz Ahmad & Company
Chartered Accountants

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2025

A member of
Nexia
International

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Faisalabad Electric Supply Company Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED (the Company) as at 31 December 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to the following matter:

Note 6.1 of the condensed interim financial statements, which describes various matters regarding tax contingencies along with the cases presented in Note 15.1.1 to the preceding audited annual published financial statements of the Company, the ultimate outcome of which cannot be presently determined hence no provision for the same has been made in accompanying condensed interim financial statements.

Our report is not modified in respect of this matter.

Other Matters

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2025 have not been reviewed by us.

The figures of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows for the half year ended 31 December 2024 alongwith condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2024 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Junaid Ashraf.

RIAZ AHMAD & COMPANY
Chartered Accountants

FAISALABAD

DATE: 18 MARCH 2026

UDIN: RR202510045jioxUpGWY

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	NOTE	Un-audited 31 December 2025 RUPEES	Audited 30 June 2025 RUPEES
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5 000 000 000 (30 June 2025: 5 000 000 000) ordinary shares of Rupees 10 each		50,000,000,000	50,000,000,000
Issued, subscribed and paid up share capital			
374 944 383 (30 June 2025 : 374 944 383) ordinary shares of Rupees 10 each		3,749,443,830	3,749,443,830
Deposit for shares		69,263,141,063	53,356,883,317
Surplus on revaluation of property, plant and equipment - net of deferred income tax		88,204,807,960	89,190,773,246
Accumulated loss		(65,781,598,067)	(83,327,142,200)
Total equity		95,435,794,786	62,969,958,193
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	2,400,624,223	2,528,982,740
Staff retirement benefits		118,064,193,914	122,849,210,681
Long term security deposits		14,841,029,333	14,292,269,361
Receipt against deposit works		18,970,745,541	18,814,393,849
Deferred credit		50,677,138,794	47,480,129,375
Deferred income tax liability		11,247,278,966	11,649,997,181
		216,201,010,771	217,614,983,187
CURRENT LIABILITIES			
Trade and other payables		57,597,420,061	117,892,402,716
Accrued mark-up		5,079,839,677	4,867,028,928
Current portion of long term financing	5	3,140,655,556	3,012,297,039
Taxation and levy - net		3,979,907,794	3,969,709,473
		69,797,823,088	129,741,438,156
TOTAL LIABILITIES		285,998,833,859	347,356,421,343
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		381,434,628,645	410,326,379,536

	NOTE	Un-audited 31 December 2025 RUPEES	Audited 30 June 2025 RUPEES
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	241,551,473,502	238,294,418,530
Intangible assets		664,615	899,185
Long term advances		205,596,327	227,080,509
Long term deposits		52,989,806	52,917,946
		241,810,724,250	238,575,316,170
CURRENT ASSETS			
Stores, spares and loose tools		8,501,598,333	7,351,454,611
Trade debts		51,680,836,015	69,910,996,545
Loans and advances		808,398,924	310,514,210
Other receivables		29,148,356,637	34,205,316,485
Sales tax receivable		8,006,689,683	8,006,689,683
Receivable from the Government of Pakistan		11,097,681,522	25,161,685,787
Accrued interest		1,680,982,100	833,481,279
Short term investments		15,000,000,000	15,000,000,000
Cash and bank balances		13,699,361,181	10,970,924,766
		139,623,904,395	171,751,063,366
TOTAL ASSETS		381,434,628,645	410,326,379,536

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Half year ended		Quarter ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RUPEES	RUPEES	RUPEES	RUPEES
SALE OF ELECTRICITY - NET	198,817,151,451	234,937,776,749	78,543,496,512	93,249,759,028
TARIFF DIFFERENTIAL SUBSIDIES	42,120,492,722	38,893,427,003	15,163,731,716	14,280,057,556
	240,937,644,173	273,831,203,752	93,707,228,228	107,529,816,584
COST OF ELECTRICITY	(202,539,169,258)	(200,943,403,721)	(94,854,028,377)	(89,855,101,457)
GROSS PROFIT / (LOSS)	38,398,474,915	72,887,800,031	(1,146,800,149)	17,674,715,127
AMORTIZATION OF DEFERRED CREDIT	1,390,492,268	1,355,944,860	625,993,619	677,972,430
	39,788,967,183	74,243,744,891	(520,806,530)	18,352,687,557
DISTRIBUTION COST	(18,064,881,051)	(16,901,134,558)	(9,756,151,741)	(8,602,908,561)
ADMINISTRATIVE EXPENSES	(3,814,478,455)	(3,085,351,690)	(2,273,030,844)	(1,495,065,373)
CUSTOMER SERVICES COSTS	(3,683,190,277)	(2,248,060,268)	(2,532,196,423)	(874,709,586)
	(25,562,549,783)	(22,234,546,516)	(14,561,379,008)	(10,972,683,520)
PROFIT / (LOSS) FROM OPERATIONS	14,226,417,400	52,009,198,375	(15,082,185,538)	7,380,004,037
OTHER INCOME	6,723,599,353	5,831,344,555	4,863,165,306	3,529,025,772
FINANCE COST	(666,632,602)	(440,933,331)	(552,134,593)	(326,629,835)
PROFIT / (LOSS) BEFORE LEVY AND TAXATION	20,283,384,151	57,399,609,599	(10,771,154,825)	10,582,399,974
LEVY	(5,532,776)	(3,894,955,518)	(5,532,776)	(2,100,700,275)
PROFIT / (LOSS) BEFORE TAXATION	20,277,851,375	53,504,654,081	(10,776,687,601)	8,481,699,699
TAXATION	(3,718,272,528)	-	(1,832,656,131)	-
PROFIT / (LOSS) AFTER TAXATION	16,559,578,847	53,504,654,081	(12,609,343,732)	8,481,699,699

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Half year ended		Quarter ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RUPEES	RUPEES	RUPEES	RUPEES
PROFIT / (LOSS) AFTER TAXATION	16,559,578,847	53,504,654,081	(12,609,343,732)	8,481,699,699
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	16,559,578,847	53,504,654,081	(12,609,343,732)	8,481,699,699

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	SHARE CAPITAL	DEPOSIT FOR SHARES	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX	ACCUMULATED LOSS	TOTAL EQUITY
	---RUPEES---				
Balance as at 30 June 2024 - (Audited)	10,000	45,654,616,510	95,025,049,729	(91,604,738,594)	49,074,937,645
Non-cash settlement against deposit for shares	-	529,371,480	-	-	529,371,480
Profit for the period	-	-	-	53,504,654,081	53,504,654,081
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	53,504,654,081	53,504,654,081
Balance as at 31 December 2024 - (Un-audited)	10,000	46,183,987,990	95,025,049,729	(38,100,084,513)	103,108,963,206
Ordinary shares issued	3,749,433,830	(3,749,433,830)	-	-	-
Non-cash settlement against deposit for shares	-	10,922,329,157	-	-	10,922,329,157
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(730,573,402)	730,573,402	-
Transfer from surplus on revaluation of property, plant and equipment on account of transfer of property, plant and equipment - net of deferred income tax	-	-	(1,846,613,124)	1,846,613,124	-
Adjustment of deferred income tax liability due to remeasurement at year end	-		(3,257,089,957)	-	(3,257,089,957)
Loss for the period	-	-	-	(44,071,739,509)	(44,071,739,509)
Other comprehensive loss for the period	-	-	-	(3,732,504,704)	(3,732,504,704)
Total comprehensive loss for the period	-	-	-	(47,804,244,213)	(47,804,244,213)
Balance as at 30 June 2025 - (Audited)	3,749,443,830	53,356,883,317	89,190,773,246	(83,327,142,200)	62,969,958,193
Non-cash settlement against deposit for shares	-	15,906,257,746	-	-	15,906,257,746
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(695,106,931)	695,106,931	-
Transfer from surplus on revaluation of property, plant and equipment on account of transfer of property, plant and equipment - net of deferred income tax	-	-	(290,858,355)	290,858,355	-
Profit for the period	-	-	-	16,559,578,847	16,559,578,847
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	16,559,578,847	16,559,578,847
Balance as at 31 December 2025 - (Un-audited)	3,749,443,830	69,263,141,063	88,204,807,960	(65,781,598,067)	95,435,794,786

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	NOTE	Un-audited 31 December 2025 RUPEES	Un-audited 31 December 2024 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	21,596,974,753	19,023,109,297
Income tax and levy paid		(4,116,325,198)	(4,134,484,386)
Finance cost paid		(1,403,797)	(1,139,898)
Staff retirement benefits paid		(5,566,030,984)	(6,260,723,947)
Payment for fund contribution regarding pension obligation		(7,003,000,000)	(7,000,000,000)
Net decrease / (increase) in long term advances		21,484,182	(62,933,925)
Net increase in long term deposits		(71,860)	(121,540)
Net cash generated from operating activities		4,931,627,096	1,563,705,601
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(8,201,180,048)	(9,271,927,461)
Short term investments made		-	(15,000,000,000)
Profit on bank deposits and term deposit receipts received		705,376,016	2,225,775,934
Net cash used in investing activities		(7,495,804,032)	(22,046,151,527)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term security deposits - net		548,759,972	633,260,895
Receipts against deposit works - net		4,743,853,379	4,476,955,224
Net cash from financing activities		5,292,613,351	5,110,216,119
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,728,436,415	(15,372,229,807)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		10,970,924,766	22,751,139,528
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		13,699,361,181	7,378,909,721

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

1. LEGAL STATUS AND OPERATIONS

1.1 Faisalabad Electric Supply Company Limited (the Company) is a public limited company incorporated on 21 March 1998 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was established to take over all the properties, rights, assets, obligations and liabilities of Faisalabad Area Electricity Board (FAEB) owned by Pakistan Water and Power Development Authority (WAPDA) and such other assets and liabilities as agreed. The registered office of the Company is located at West Canal Road, Abdullahpur, Faisalabad. While the Company has various 132-KV and 66-KV grid stations along with other offices located in 08 districts of Central Punjab including Faisalabad, Jhang, Toba Tek Singh, Chiniot, Sargodha, Mianwali, Khushab and Bhakkar. The principal activity of the Company is distribution and supply of electricity to public within defined geographical boundaries.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of, directives and notifications issued under the Companies Act, 2017 and the State-Owned Enterprises (Governance and Operations) Act, 2023.

Where the provisions of, directives and notifications issued under the Companies Act, 2017 and the State-Owned Enterprises (Governance and Operations) Act, 2023 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2025.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and methods of computations adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2025.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2025.

		Un-audited 31 December 2025 RUPEES	Audited 30 June 2025 RUPEES
5.	**LONG TERM FINANCING**		
	Secured		
	From Asian Development Bank - Relent by the GoP		
	- Tranche I	832,226,142	832,226,142
	- Tranche II	1,000,702,296	1,000,702,296
	- Tranche III	2,260,911,648	2,260,911,648
	- Tranche IV	1,447,439,693	1,447,439,693
		5,541,279,779	5,541,279,779
	Less:		
	Current portion shown under current liabilities	256,717,036	256,717,036
	Overdue portion shown under current liabilities	2,883,938,520	2,755,580,003
		3,140,655,556	3,012,297,039
		2,400,624,223	2,528,982,740

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in the status of contingencies as disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2025, except for the following:

Income Tax

(i) Deputy Commissioner Inland Revenue passed order dated 06 June 2018 under section 205/161 of the Ordinance for the tax years 2016 and 2017 raising a demand of Rupees 67.023 million, in respect of non deduction of withholding tax against payment of use of system charges to National Grid Company of Pakistan Limited (NGC) (formerly National Transmission and Despatch Company Limited (NTDC)). The Commissioner Inland Revenue (Appeals) [CIR (A)] passed order against the Company, the Company filed reference application No. 18479 dated 27 February 2021 before Lahore High Court, Lahore against the order of Appellate Tribunal Inland Revenue dated 11 November 2020. On 19 December 2025, Lahore High Court, Lahore disposed of the application and referred the matter to Alternate Dispute Resolution Committee (ADRC). The Company is in process of filing an appeal before the department for appointment of ADRC. The case will be adjudicated by ADRC after its appointment.

(ii) Deputy Commissioner Inland Revenue passed orders under section 205 of the Ordinance for the tax years 2012, 2013, 2014 and 2015 raising a demand of Rupees 229.280 million, in respect of non deduction of withholding tax against payment of use of system charges to NGC. After the decision of Appellate Tribunal Inland Revenue (ATIR) against the Company, the Company filed Income Tax Reference Nos. 45069, 45078, 45072 and 45074 dated 10 June 2020 before Lahore High Court, Lahore against the orders of ATIR. On 19 December 2025, Lahore High Court, Lahore disposed off the application and referred the matter to Alternate Dispute Resolution Committee (ADRC). The Company is in process of filing an appeal before the department for appointment of ADRC. The case will be adjudicated by ADRC after its appointment.

(iii) Additional Commissioner Inland Revenue passed an Order No. 1758 dated 26 September 2018 under section 161(1) and raised demand of Rupees 46.353 million, in respect of alleged non-payment of withholding tax on various payments, in respect of tax year 2017. After rejection of the appeal before Appellate Tribunal Inland Revenue, the Company has filed reference application 18504/2021 dated 27 February 2021 before Lahore High Court, Lahore. On 19 December 2025 Lahore High Court, Lahore disposed off the application and referred the matter to Alternate Dispute Resolution Committee (ADRC). The Company is in process of filing an appeal before the department for appointment of ADRC. The case will be adjudicated by ADRC after its appointment.

Sales Tax

(iv) Assistant Commissioner Punjab Revenue Authority passed an Order No. 1 dated 04 January 2018 raising a demand of Rupees 385.803 million, in respect of non charging of Punjab sales tax on various services performed by the Company for the tax periods from July 2015 to June 2016 under section 52(1) of Punjab Sales Tax Act, 2012. The Company filed writ petition dated 05 September 2020 before Lahore High Court, Lahore which was decided in favour of the Company on 15 March 2023. Punjab Revenue Authority filed intra court appeal before Lahore High Court, Lahore which is pending for adjudication. The Company was issued letter from Additional Commissioner Punjab Revenue Authority for fresh proceedings regarding the above matter, ignoring the judgement of Lahore High Court, Lahore. In response to the reply submitted by the Company against the letter of Additional Commissioner Punjab Revenue Authority, order was passed raising the demand of Rupees 385.803 million. The Company being aggrieved filed an appeal before Additional Commissioner (Appeals) Punjab Revenue Authority who confirmed the assessment order. On 30 September 2023, the Company filed an appeal before Appellate Tribunal Punjab Revenue Authority who decided the case against the Company on 18 December 2025. However, the Company filed an application for appointment of Alternate Dispute Resolution Committee (ADRC) dated 31 December 2025, which is in process. The case will be adjudicated by ADRC after its appointment.

(v) Additional Commissioner Punjab Revenue Authority issued show cause notice No. 11149 dated 30 December 2020 raising a demand of Rupees 1,554.748 million, in respect of non-chargeability of Punjab Sales Tax on various services performed by the Company for the tax periods from July 2016 to June 2019. The Company filed petition No. 19883 dated 15 March 2021 before Lahore High Court, Lahore which was decided in favour of the Company. Punjab Revenue Authority filed intra court appeal against the order before Lahore High Court, Lahore which is pending for adjudication. Moreover, the Company was issued letter from Additional Commissioner Punjab Revenue Authority for fresh proceedings regarding the above matter, ignoring the judgement of Lahore High Court, Lahore. In response to the reply submitted by the Company against the letter of Additional Commissioner Punjab Revenue Authority's letter, order was passed demanding Rupees 1,400.505 million. The Company being aggrieved, filed an appeal before Additional Commissioner (Appeals) Punjab Revenue Authority who confirmed the assessment order. The Company filed an appeal before Appellate Tribunal Punjab Revenue Authority dated on 22 July 2024, who decided the case against the Company on 18 December 2025. However, the Company filed an application for appointment of Alternate Dispute Resolution Committee (ADRC) dated 29 December 2025, which is in process. The case will be adjudicated by ADRC after its appointment.

(vi) Assistant Commissioner Inland Revenue issued show cause notice No. 1305 dated 18 June 2021 raising a demand of Rupees 33.059 million against two times adjustment of input tax. After the rejection of appeals by the Company before Commissioner Inland Revenue (Appeals) and Appellate Tribunal Inland Revenue, the Company filed reference before Lahore High Court, Lahore against the decision of ATIR, who granted stay vide order dated 27 May 2024. However, Lahore High Court, Lahore remanded back the case to ATIR dated 16 November 2025 which is pending for adjudication.

(vii) Assistant Commissioner Inland Revenue issued an order No. 16-19 dated on 09 June 2021 raising a demand of Rupees 406 million in respect of short payment of sales tax against steel melter and re-rollers. The Company filed an appeal before Commissioner Inland Revenue (Appeals) on 15 July 2021 who decided the case against the Company. The Company filed appeal before Appellate Tribunal Inland Revenue (ATIR), who decided the case in favour of Company vide order No. 26-29 dated 20 May 2022. However, the department filed reference before Lahore High Court, Lahore on 22 May 2025 against the decision of ATIR. On 15 November 2025, Lahore High Court, Lahore referred the matter to Alternate Dispute Resolution Committee (ADRC). The Company is in process of filing an appeal before the department for appointment of ADRC. The case will be adjudicated by ADRC after its appointment.

Aggregate provision of Rupees 10,187.218 million and 19,303.801 million regarding income tax cases and sales tax cases presented above along with the cases presented in Note 15.1.1 to the preceding audited annual published financial statements of the Company, has not been recorded in the books of account of the Company on the advice of tax advisors of the Company, as favourable outcome of these cases is expected.

6.1.1 The Company has received invoices from Small Power Producers (SPPs) in respect of purchase of electricity on behalf of CPPA-G, which after payments to respective SPPs, have been communicated to CPPA-G. However, CPPA-G has accepted partial payments to SPPs, due to differences in electricity rates and other differences. The Company raised debit notes against invoices of SPPs to CPPA-G, out of which debit notes of Rupees 1,975.18 million were not accepted by CPPA-G uptill 31 December 2025. Moreover, there are certain other outstanding entries amounting to Rupees 2.415 million - net recorded as recoverable from CPPA-G which has not been acknowledged as payable by CPPA-G uptill 31 December 2025. However, due to the pending reconciliation of these matters with CPPA-G, the Company has not acknowledged the de-recognition of receivable in this respect.

6.2 Commitments

6.2.1 Contracts for capital expenditure are of Rupees 2,777.458 million (30 June 2025: Rupees 1,694.751 million).

6.2.2 Inland letter of credits in respect of capital expenditure are of Rupees 81.774 million (30 June 2025: Rupees 225.683 million).

6.2.3 Contracts for other than capital expenditure are of Rupees 314.559 million (30 June 2025: Rupees 0.360 million).

		Un-audited 31 December 2025 RUPEES	Audited 30 June 2025 RUPEES
7.	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating fixed assets (Note 7.1)	218,311,113,862	213,620,310,189
	Capital work-in-progress (Note 7.2)	23,240,359,640	24,674,108,341
		241,551,473,502	238,294,418,530
7.1	**Operating fixed assets**		
	Opening book value	213,620,310,189	199,361,811,457
	Add: Cost of additions / transferred from capital work-in-progress during the period / year (Note 7.1.1)	9,634,928,749	31,389,461,746
		223,255,238,938	230,751,273,203
	Less: Transferred to stores and spares / written off during the period / year (Note 7.1.2)	(1,401,508,681)	(10,435,946,567)
		221,853,730,257	220,315,326,636
	Less: Depreciation charged during the period / year	(3,542,616,395)	(6,695,016,447)
	Book value at the end of the period / year	218,311,113,862	213,620,310,189
7.1.1	Cost of additions / transferred from capital work-in-progress during the period / year		
	Freehold land	-	40,606,967
	Building on freehold land	208,441,670	1,486,422,517
	Feeders (up to 11 kv)	7,991,416,040	16,495,950,248
	Grids and equipment	903,428,364	12,916,804,123
	Vehicles	194,824,844	86,533,602
	Furniture, fixture and office equipment	336,817,831	363,144,289
		9,634,928,749	31,389,461,746
7.1.2	Transferred to stores and spares / written off during the period / year		
	Cost:		
	Building on freehold land	389,199	-
	Feeders (up to 11 kv)	1,087,991,755	13,434,637,235
	Grids and equipment	575,291,679	804,289,149
	Vehicles	-	14,228,163
	Furniture, fixtures and office equipment	39,212	118,659
		1,663,711,845	14,253,273,206
	Less: Accumulated depreciation	262,203,164	3,817,326,639
		1,401,508,681	10,435,946,567
7.2	**Capital work-in-progress**		
	Civil works	429,541,058	193,968,777
	Distribution equipment	21,318,397,938	22,217,828,676
		21,747,938,996	22,411,797,453
	Geographic Information System (GIS) Mapping Project	104,326,419	104,326,419
	Cost of implementation of Enterprise Resource Planning	84,456,076	84,456,076
	Mobilization advance to supplier / contractors	-	20,211,400
	Capital stores	1,303,638,149	2,053,316,993
		23,240,359,640	24,674,108,341

		(Un-audited)	
		Half year ended	
		31 December 2025	31 December 2024
		RUPEES	RUPEES
8.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation and levy	20,283,384,151	57,399,609,599
	Adjustments for non-cash charges and other items:		
	Depreciation	3,542,616,395	3,241,850,124
	Amortization of intangible assets	234,570	234,570
	Provision for staff retirement benefits	7,784,014,217	9,140,828,931
	Amortization of deferred credit	(1,390,492,268)	(1,355,944,860)
	Finance cost	666,632,602	440,933,331
	Transferred to stores and spares / written off during the period	1,401,508,681	870,958,411
	Allowance for expected credit losses	1,597,906,125	-
	Profit on bank deposits and term deposit receipts	(1,552,876,837)	(1,447,882,019)
	Provision of slow moving and obsolete items of stores, spares and loose tools	225,563,313	-
	Non-cash settlement against deposit for shares	15,906,257,746	529,371,480
	Provision for workers' profit participation fund	1,091,358,011	-
	Interest on workers' profit participation fund	452,418,056	-
	Working capital changes (Note 8.1)	(28,411,550,009)	(49,796,850,270)
		21,596,974,753	19,023,109,297
8.1	**Working capital changes**		
	(Increase) / decrease in current assets:		
	Stores, spares and loose tools	(1,375,707,035)	82,840,729
	Trade debts	16,632,254,405	15,358,072,422
	Loans and advances	(497,884,714)	144,476,073
	Receivable from Government of Pakistan	14,064,004,265	3,388,213,260
	Other receivables	5,056,959,848	2,640,078,331
		33,879,626,769	21,613,680,815
	Decrease in trade and other payables	(62,291,176,778)	(71,410,531,085)
		(28,411,550,009)	(49,796,850,270)

9. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies / undertakings, directors and key management personnel. The Company in the normal course business carries out transactions with various related parties. Detail of transactions and balances with related parties is as follows:

	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RUPEES			
i) Transactions				
Government of Pakistan				
Economic Affairs Division (Finance cost)	212,810,749	439,793,434	99,051,009	219,896,717
Ministry of Finance				
Subsidies from GoP accrued	42,120,492,722	38,893,427,003	15,163,731,716	14,280,057,556
Non-cash adjustment of deposit for shares	15,906,257,746	529,371,480	15,906,257,746	529,371,480
Associated companies / undertakings				
Fee paid to NEPRA	176,669,416	154,956,924	-	-
Security deposit paid against ongoing dispute	-	10,000,000	-	10,000,000
Use of system charges	11,089,328,591	10,356,468,252	5,537,133,531	5,154,641,811
Purchase of electricity	202,539,169,258	200,943,403,721	94,854,028,377	89,855,101,457
Financing cost surcharge	22,708,915,586	21,764,547,969	11,194,322,760	11,223,735,210
Free supply of electricity provided to employees of associated companies	397,945,214	531,753,341	125,908,788	183,752,415
Free supply of electricity received by employees of the Company from associated companies	28,666,880	85,100,072	13,684,042	61,029,669
Pension paid to employees of associated companies	557,364,033	872,508,398	226,325,966	445,001,404
Pension received by employees of the Company from associated companies	156,456,144	200,557,895	105,782,445	114,956,125
Sale of material	137,457,500	213,954,600	90,748,336	155,831,000
Purchase of material	575,924,697	257,304,600	335,326,440	152,681,000
Management fee	-	45,208,791	-	45,208,791
Consultancy fee and software license fee	39,110,953	66,732,926	31,406,111	28,463,026
Other related parties				
FESCO Employees Pension Fund Trust	7,003,000,000	7,000,000,000	2,000,000,000	3,000,000,000
Remuneration and meeting fee paid to Chief Executive Officer and directors	38,195,196	20,544,497	19,294,359	8,744,009

	Un-audited 31 December 2025 RUPEES	Audited 30 June 2025 RUPEES
ii) Period end balances		
Government of Pakistan		
Receivable from the Government of Pakistan	11,097,681,522	25,161,685,787
Deposit for shares	69,263,141,063	53,356,883,317
Long term financing	5,541,279,779	5,541,279,779
Accrued mark-up	5,079,839,677	4,867,028,928
Associated companies / undertakings		
Trade and other payables	15,733,546,028	52,869,063,095
Other receivables	8,768,946,578	13,049,949,243

10. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2025.

11. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged for better presentation, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made in these condensed interim financial statements.

12. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors of the Company in its meeting held on 12 MAR 2026.

13. GENERAL

Figures have been rounded off to the nearest Rupees.

CHIEF EXECUTIVE OFFICER

DIRECTOR