Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Faisalabad Electric Supply Company Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following matter:

Note 15.1.1 of the financial statements, which describes various matters regarding tax contingencies the ultimate outcome of which cannot be presently determined hence no provision for the same has been made in accompanying financial statements.

Our opinion is not modified in respect of this matter.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is 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, the requirements of Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, 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 the SOE Act, 2023 are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended 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 Junaid Ashraf.

RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

DATE: 02 OCTOBER 2025
UDIN: AR202510045oelvEJDRi

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED

30 JUNE 2025

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	NOTE	2025 RUPEES	2024 RUPEES
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5 000 000 000 (2024: 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	3	3,749,443,830	10,000
Deposit for shares	4	53,356,883,317	45,654,616,510
Surplus on revaluation of property, plant and equipment - net of deferred income tax	5	89,190,773,246	95,025,049,729
Accumulated loss		(83,327,142,200)	(91,604,738,594)
TOTAL EQUITY		62,969,958,193	49,074,937,645
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	2,528,982,740	2,785,699,777
Staff retirement benefits	7	122,849,210,681	122,338,835,785
Long term security deposits	8	14,292,269,361	12,946,895,095
Receipts against deposit works	9	18,814,393,849	19,837,876,759
Deferred credit	10	47,480,129,375	45,829,619,135
Deferred income tax liability	11	11,649,997,181	9,445,560,876
		217,614,983,187	213,184,487,427
CURRENT LIABILITIES			
Trade and other payables	12	117,892,402,716	123,578,847,650
Accrued mark-up	13	4,867,028,928	6,111,094,688
Current portion of long term financing	6	3,012,297,039	2,755,580,002
Taxation and levy - net	14	3,969,709,473	355,907,159
		129,741,438,156	132,801,429,499
TOTAL LIABILITIES		347,356,421,343	345,985,916,926
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		410,326,379,536	395,060,854,571

	NOTE	2025 RUPEES	2024 RUPEES
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	238,294,418,530	230,783,047,451
Intangible assets	17	899,185	1,368,325
Long term advances	18	227,080,509	195,615,972
Long term deposits	19	52,917,946	52,753,706
		238,575,316,170	231,032,785,454
CURRENT ASSETS			
Stores, spares and loose tools	20	7,351,454,611	6,624,989,945
Trade debts	21	69,910,996,545	76,115,806,764
Loans and advances	22	310,514,210	347,027,727
Other receivables	23	34,205,316,485	34,249,955,948
Sales tax receivable		8,006,689,683	8,304,964,530
Receivable from the Government of Pakistan	24	25,161,685,787	14,856,290,760
Accrued interest		833,481,279	777,893,915
Short term investments	25	15,000,000,000	-
Cash and bank balances	26	10,970,924,766	22,751,139,528
		171,751,063,366	164,028,069,117
TOTAL ASSETS		410,326,379,536	395,060,854,571

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 RUPEES	2024 RUPEES
SALE OF ELECTRICITY - NET	27	390,630,224,599	434,774,883,233
TARIFF DIFFERENTIAL SUBSIDIES	28	79,489,966,552	26,248,959,848
		470,120,191,151	461,023,843,081
COST OF ELECTRICITY	29	(402,168,220,164)	(424,588,189,167)
GROSS PROFIT		67,951,970,987	36,435,653,914
AMORTIZATION OF DEFERRED CREDIT	10	2,779,995,085	2,465,354,289
		70,731,966,072	38,901,008,203
DISTRIBUTION COST	30	(43,058,319,020)	(33,738,854,442)
ADMINISTRATIVE EXPENSES	31	(6,868,794,850)	(5,984,250,089)
CUSTOMER SERVICES COSTS	32	(7,014,332,950)	(4,684,165,286)
		(56,941,446,820)	(44,407,269,817)
PROFIT / (LOSS) FROM OPERATIONS		13,790,519,252	(5,506,261,614)
OTHER INCOME	33	11,927,938,437	12,767,445,363
FINANCE COST	34	(4,989,285,748)	(882,296,224)
PROFIT BEFORE LEVY AND TAXATION		20,729,171,941	6,378,887,525
LEVY	35	(10,810,511,261)	(5,677,787,261)
PROFIT BEFORE TAXATION		9,918,660,680	701,100,264
TAXATION	36	(485,746,108)	297,191,270
PROFIT AFTER TAXATION		9,432,914,572	998,291,534

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	2025 RUPEES	2024 RUPEES
PROFIT AFTER TAXATION	9,432,914,572	998,291,534
OTHER COMPREHENSIVE (LOSS) / INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit obligations	(3,732,504,704)	(7,301,699,826)
Surplus on revaluation of property, plant and equipment	-	52,990,951,759
Deferred income tax relating to surplus on revaluation of property, plant and equipment	-	(3,242,592,613)
	-	49,748,359,146
	(3,732,504,704)	42,446,659,320
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive (loss) / income for the year - net of tax	(3,732,504,704)	42,446,659,320
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,700,409,868	43,444,950,854

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 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 2023 - Restated	10,000	41,556,652,056	46,005,096,651	(86,029,736,370)	1,532,022,337
Non-cash settlement against deposit for shares	-	4,097,964,454	-	-	4,097,964,454
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	(535,812,217)	535,812,217	-
Transfer from surplus on revaluation of property, plant and equipment on account of transfer of property, plant and equipment - net of deferred income tax	-	-	(192,593,851)	192,593,851	-
Profit for the year	-	-	-	998,291,534	998,291,534
Other comprehensive income for the year	-	-	49,748,359,146	(7,301,699,826)	42,446,659,320
Total comprehensive income for the year	-	-	49,748,359,146	(6,303,408,292)	43,444,950,854
Balance as at 30 June 2024	10,000	45,654,616,510	95,025,049,729	(91,604,738,594)	49,074,937,645
Transaction with owner:					
Ordinary shares issued (Note 3.1)	3,749,433,830	(3,749,433,830)	-	-	-
Non-cash settlement against deposit for shares	-	11,451,700,637	-	-	11,451,700,637
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)
Profit for the year	-	-	-	9,432,914,572	9,432,914,572
Other comprehensive loss for the year	-	-	-	(3,732,504,704)	(3,732,504,704)
Total comprehensive income for the year	-	-	-	5,700,409,868	5,700,409,868
Balance as at 30 June 2025	3,749,443,830	53,356,883,317	89,190,773,246	(83,327,142,200)	62,969,958,193

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

FAISALABAD ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 RUPEES	2024 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	45,866,788,297	26,829,989,567
Income tax and levy paid		(8,735,108,707)	(5,846,077,184)
Finance cost paid		(2,274,363)	(2,709,358)
Staff retirement benefits paid		(10,539,673,338)	(9,181,233,829)
Payment for fund contribution regarding pension obligation		(11,500,000,000)	(6,076,000,000)
Net increase in long term advances		(36,305,235)	(102,397,175)
Net increase in long term deposits		(164,240)	(12,199,950)
Net cash generated from operating activities		15,053,262,414	5,609,372,071
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant, equipment and intangible assets		(24,624,218,282)	(21,536,565,549)
Short term investments made	25	(15,000,000,000)	-
Profit received on bank deposits and term deposit receipts		3,479,112,717	5,210,830,624
Net cash used in investing activities		(36,145,105,565)	(16,325,734,925)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term security deposits - net		1,345,374,266	1,031,033,034
Receipts against deposit works - net		7,966,254,123	7,022,624,990
Net cash from financing activities		9,311,628,389	8,053,658,024
NET DECREASE IN CASH AND CASH EQUIVALENTS		(11,780,214,762)	(2,662,704,830)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		22,751,139,528	25,413,844,358
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	26	10,970,924,766	22,751,139,528

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

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.

1.2 The Council of Common Interest (CCI) in its meeting held on 12 September 1993 approved the privatization of thermal power generation units (GENCOs) and power distribution companies (DISCOs) in a phased program. Cabinet Committee on Privatization (CCOP) in its meeting held on 17 February 2009 approved privatization of certain GENCOs and DISCOs, this decision was ratified by Federal Cabinet in its meeting, held on 06 January 2010. President and Prime Minister of Pakistan also approved privatization of GENCOs and DISCOs including the Company during a presentation given to them by Ministry of Privatization on 22 November 2010. Decision of President and Prime Minister had also been subsequently ratified by the CCI during its meeting held on 28 April 2011. Since October 2013, the CCOP approved 68 Public Sector Enterprises (PSEs) for inclusion in the privatization program. The Company had been approved by CCOP for early implementation. The Privatization Commission (PC) on behalf of the Government of Pakistan (GoP) invited Expression of Interest (EOI) from prospective private sector strategic partner(s) to acquire seventy-four percent (74%) shareholding in the Company, currently owned by the GoP, together with management control on 02 November 2015. However, protests against privatization were started by the opposition parties and by labour unions. In order to give the union a chance to perform, the GoP has reconsidered the privatization mode of the power sector by shifting it from strategic sale to divestment through capital markets. CCOP in its meeting held on 14 July 2016 considered proposals regarding divestment of Power Sector Entities and PC to initiate process for listing of shares of the Company on the stock exchange through Initial Public Offering (IPO). It was also decided that GoP would retain the control of FESCO as well as management. The PC in its meeting held on 02 October 2017, had discussion on volume of circular debt and nature of losses being accrued in GENCOs and DISCOs and decided that the PC would seek approval of the Government to privatize the Company as strategic sale. During the year, in notification 12(03)/2023-CA-I dated 30 July 2024, the Ministry of Energy (Power Division) affirmed the Government's intention to privatize GENCOs and DISCOs as part of its ongoing energy sector privatization efforts and further in correspondence No.14(11)/2018-DISCO-1 dated 28 August 2024, the Company along with Gujranwala Electric Power Company Limited (GEPCO) and Islamabad Electric Supply Company Limited (IESCO) were asked to compile preliminary information for privatization. Moreover the Company received directions from Ministry of Energy (Power Division) and PC through letters dated 17 June 2025, 19 June 2025 and 08 August 2025 with reference numbers 37(1)DISCOS/PS/PC/2020, 14(19)/2025-DISCO-III and 14(19)/2025-DISCO-III respectively, to complete the finalization and approval of audited financial statements for the year ended 2025 and complete other legal formalities by the end of August 2025 for continuation of privatization process.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

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

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

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairment

The estimates for revalued amounts of different classes of property, plant and equipment are based on revaluation performed by external professional valuer and recommendations of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of assets including intangible assets for possible impairment on annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment along with intangible assets with a corresponding effect on the depreciation / amortization charge and impairment.

Provision for obsolescence of stores, spares and loose tools

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

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingencies

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

Revenue from contracts with customers involving sale of goods

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

Tariff adjustment determination

As per the mechanism laid out in the Multi Year Tariff (MYT) decision, the Company seeks adjustments for fuel price cost, capacity charges, use of system charges, variable Operations and Maintenance (O&M), impact of Transmission and Distribution (T&D) losses on monthly Fuel Price Adjustment (FPA), distribution margin and unrecovered / over recovered cost as per NEPRA's determination on a monthly / quarterly / annual basis. The monthly / quarterly / annual determinations of the tariff adjustment are approved by NEPRA from time to time.

Staff retirement benefits

The Company operates funded pension scheme, a funded free electricity scheme and a funded free medical facility scheme for all its employees along with entitlement for accumulated compensated absences which are encashed at the time of retirement upto maximum limit of 365 days. The calculation of the benefits requires assumptions to be made of future outcomes, the principal ones being in respect of increase in salary and the discount rates used to convert future cash flows to current values. The assumptions used for the plans are determined by independent actuary on annual basis. The amount of the expected return on plan assets is calculated using the expected rate of return for the year. Calculations are sensitive to changes in the underlying assumptions. The figure of staff retirement benefit liabilities primarily represents the increase in actuarial present value of the obligations for benefits earned on employee service during the year and the interest on the obligations in respect of employee service in previous years, net of the respected return on plan assets.

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

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

- Amendments to IAS 1 'Presentation of Financial Statements' – Classification of liabilities as current or non-current;
- Amendments to IAS 1 'Presentation of Financial Statements' – Non-current liabilities with covenants;
- Amendments to IFRS 16 'Leases' – Lease liability in a sale and leaseback transaction; and

• Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures - Supplier finance arrangements'.

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

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

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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

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

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

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

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

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

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

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

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

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

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

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

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

2.2 Functional and presentation currency along with foreign currency transactions and translation

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit or loss.

2.3 Staff retirement benefits

2.3.1 Defined benefit plans

The Company provides funded pension scheme, a funded free electricity scheme and a funded free medical facility scheme for all its regular employees. Further, the Company's employees are also entitled for accumulated compensated absences which are encashed at the time of retirement upto maximum limit of 365 days. The Company's obligations under these schemes are determined annually by a qualified actuary using Projected Unit Credit Actuarial Cost Method. Latest actuarial valuations have been carried on 30 June 2025. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Past service cost is recognized immediately in the statement of profit or loss.

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

2.3.2 General / Employees' Provident Fund

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

2.4 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.5 Property, plant and equipment

2.5.1 Operating fixed assets and depreciation

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except freehold land which is stated at revalued amount less any identified impairment loss and buildings on freehold land, feeders, grids and related equipment which are stated at revalued amount less accumulated depreciation and any identified impairment loss. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the erection / construction period of qualifying assets and directly attributable costs of bringing the assets to working condition for their intended use.

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

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognized, net of deferred income tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of deferred income tax, is reclassified from surplus on revaluation of property, plant and equipment to accumulated loss. Valuations are performed with sufficient regularity to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Depreciation

Depreciation on operating fixed assets is calculated applying the straight line method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 16.1. The Company charges the depreciation on additions from the month when the asset is available for use and on deletions up to the month when the asset is de-recognized. Depreciation on operating fixed assets is charged to the statement of profit or loss except for depreciation provided on construction equipment and vehicles during the period of construction of operating fixed assets that is capitalized as part of the cost of operating fixed assets. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

2.5.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any recognized impairment loss. This includes all costs connected with specific assets incurred during installation and construction period. These are transferred to specific assets as and when these assets are available for use.

2.6 Intangible assets and amortization

Intangible assets represent the cost of computer softwares acquired and are stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to the statement of profit or loss on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed of. Intangible assets are amortized over a period of five years.

2.7 Stores, spares and loose tools

Stores and spares are valued at lower of cost or net realizable value. Usable stores and spare parts are valued principally at cost using moving average cost formula less provision for slow moving, while items considered obsolete are carried at nil value. Items-in-transit are valued at cost comprising invoice value plus other charges paid thereon. Provision for obsolete items is based on their condition as at the reporting date depending upon the management's judgement.

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

2.8 Cash and cash equivalents

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

2.9 Revenue recognition

i) Revenue from contracts with customers

a) Sale of electricity

Revenue from sale of electricity is recognised on transmission of electricity to consumer at the rates determined by NEPRA and verified by the Government of Pakistan in official gazette from time to time. A component of sale comprises of the adjustments in tariffs as well as prior year adjustment allowed and notified by NEPRA after vetting by the Government of Pakistan.

b) Tariff differential subsidies

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

ii) Contract assets

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

iii) Contract liabilities

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

iv) Other income recognition

a) Rental and service income

Meter rentals are recognized on time proportion basis.

b) Interest income

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

c) Late payment surcharge

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

e) Gain on installation of new connections

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

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

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

g) Other revenue

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

2.10 Financial Instruments

i) Classification and measurement of financial instruments

Financial assets

a) Classification

The Company classifies its financial assets and financial liabilities at amortized cost. A financial asset is measured at amortized cost if both of following conditions are met:

- 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 the solely payments of principal and interest on the principal amount outstanding.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments at amortized cost. Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in statement of profit or loss and presented in other income / (other expenses).

Financial liabilities

Classification and measurement

Financial liabilities are classified at amortized cost. These are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

ii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For financial assets, except for the bank balances for which 12-month expected credit loss is measured, the Company applies the simplified approach to recognize expected lifetime losses from initial recognition of the receivables. The Company recognizes in statement of profit or loss, the amount of expected credit losses or reversal which is required to adjust its loss allowance at the reporting date.

iii) De-recognition

Financial assets

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

Financial liabilities

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

iv) Offsetting of financial assets and financial liabilities

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

2.11 Deferred credit

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

2.12 Borrowings

Borrowings are recognized initially at fair value of the consideration received, net of transaction costs. These are subsequently stated at amortized cost using the effective interest method.

2.13 Borrowing cost

Interest, mark-up and other charges on long term finances directly attributable to the acquisition, construction and production of qualifying assets are capitalized up to the date of commissioning of respective qualifying assets. All other interest, mark-up and other charges are charged to the statement of profit or loss in the period in which these are incurred.

2.14 Trade debts and other receivables

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

The Company has applied the simplified approach to measure expected credit losses, which uses a lifetime expected credit loss allowance. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Expected credit losses are recognized as follows:

a) No expected credit loss on Government institutions balances, being not subject to risk of default;

b) Expected credit loss of whole amount receivable from permanently disconnected consumers, exceeding one year;

c) Expected credit loss on whole arrears from private consumers, exceeding one year; and

d) Expected credit loss on all deferred arrears.

2.15 Share capital

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

2.16 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value plus directly attributable costs. These are subsequently measured at amortized cost using the effective interest method.

2.17 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.18 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate of the amount can be made. However provisions are reviewed at each reporting date and adjusted to reflect current best estimate. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

2.19 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.20 Contingent liabilities

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

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2025 NUMBER OF SHARES	2024		2025 RUPEES	2024 RUPEES
1 000	1 000	Ordinary shares of Rupees 10 each fully paid in cash	10,000	10,000
374 943 383	-	Ordinary shares of Rupees 10 each fully paid issued for consideration other than in cash (Note 3.1)	3,749,433,830	-
374 944 383	1 000		3,749,443,830	10,000

3.1 On 26 May 2025, the Company issued 374 943 383 (2024: Nil) ordinary shares of Rupees 10 each in the name of WAPDA in compliance with the directions from the Ministry of Energy (Power Division), Government of Pakistan. Moreover in accordance with the Share Capital Allotment Agreement (SCAA) between the Company and WAPDA, the issued shares were transferred in the name of the President of the Islamic Republic of Pakistan on 24 June 2025.

3.2 This represents 374 944 383 (2024: 1 000) ordinary shares of Rupees 10 each issued in the name of the President of Islamic Republic of Pakistan.

4. DEPOSIT FOR SHARES

WAPDA deposit for shares (Note 3.1):		
- Debt service liabilities paid by WAPDA in 2005 and 2006	-	2,133,601,298
- Transfer of assets by WAPDA in 2005 and 2007	-	1,396,405,182
- Pre-incorporation expenses and other ancillary charges	-	219,427,350
	-	3,749,433,830
Transfer on account of clearance of circular debt (Note 4.1)	53,356,883,317	41,905,182,680
	53,356,883,317	45,654,616,510

4.1 This represents credit received by the Company from financial year 2014 from Central Power Purchase Agency (Guarantee) Limited (CPPA-G) in pursuance of letter No. F.1(5)-CF-1/2012-13/1017 dated 02 July 2013 from Ministry of Finance as GoP investment against circular debt of Rupees 341 billion and equity injection by the Ministry of Finance as mark-up on syndicated loans. Hence this was treated as GoP equity investment in the Company. During the year the Company has made a non-cash adjustment in deposit for shares amounting to Rupees 11,451.701 million (2024: Rupees 4,097.964 million) as intimated vide various letters received from CPPA-G on the directions of Ministry of Energy (Power Division), GoP.

5. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX

Balance as at 01 July	95,025,049,729	46,005,096,651
Add: Surplus arising on revaluation during the year - net of deferred income tax	-	49,748,359,146
	95,025,049,729	95,753,455,797
Less:		
Incremental depreciation charged during the year transferred to accumulated loss - net of deferred income tax	730,573,402	535,812,217
Adjustment on transfer of property, plant and equipment - net of deferred income tax	1,846,613,124	192,593,851
Adjustment of deferred income tax liability due to remeasurement at year end	3,257,089,957	-
	5,834,276,483	728,406,068
Balance as at 30 June	89,190,773,246	95,025,049,729

5.1 This represents surplus resulting from revaluation carried out on 30 June 2024 by Messrs F K S Building Services, an independent valuer enrolled on panel of the State Bank of Pakistan (SBP). Previously revaluation was carried out by an independent valuer in the financial years ended 30 June 2020, 30 June 2013 and 30 June 2006.

6. LONG TERM FINANCING

Secured		
From Asian Development Bank - Relent by the GoP		
- Tranche I (Note 6.1)	832,226,142	832,226,142
- Tranche II (Note 6.2)	1,000,702,296	1,000,702,296
- Tranche III (Note 6.3)	2,260,911,648	2,260,911,648
- Tranche IV (Note 6.4)	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	256,717,046
Overdue portion shown under current liabilities	2,755,580,003	2,498,862,956
	3,012,297,039	2,755,580,002
	2,528,982,740	2,785,699,777

6.1 This represents re-lent portion of loan obtained by GoP from Asian Development Bank (ADB) for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 17% inclusive of relending interest of 11% per annum plus exchange risk component of 6% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 15 years including grace period of 2 years starting from February 2011. The overdue amounts of principal and mark-up aggregate to Rupees 832.226 million (2024: Rupees 832.226 million) and Rupees 403.035 million (2024: Rupees 1,107.527 million) respectively.

6.2 This represents re-lent portion of loan obtained by GoP from ADB for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk component of 6.8% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 17 years excluding grace period of 3 years starting from June 2014. The overdue amounts of principal and mark-up aggregate to Rupees 611.275 million (2024: Rupees 540.470 million) and Rupees 796.212 million (2024: Rupees 1,058.742 million) respectively.

6.3 This represents re-lent portion of loan obtained by GoP from ADB for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk component of 6.8% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 20 years excluding a grace period of 5 years starting from June 2018. The overdue amounts of principal and mark-up aggregate to Rupees 841.661 million (2024: Rupees 728.121 million) and Rupees 2,129.068 million (2024: Rupees 2,291.699 million) respectively.

6.4 This represents re-lent portion of loan obtained by GoP from ADB for Power Distribution Enhancement Investment Program which is secured against the guarantee by GoP, pursuant to the re-lent agreement between GoP and the Company. This facility carries interest at the rate of 15% inclusive of relending interest of 8.2% per annum plus exchange risk component of 6.8% per annum which shall be charged both on principal amount and interest amount separately and commitment charges at the rate of 0.15% per annum on the un-disbursed amount of loan. Repayment of principal has to be made on half yearly basis within maximum period of 20 years excluding a grace period of 5 years starting from June 2019. The overdue amounts of principal and mark-up aggregate to Rupees 470.418 million (2024: Rupees 398.046 million) and Rupees 1,502.560 million (2024: Rupees 1,539.963 million) respectively.

6.5 In accordance with the recommendation of Power Planning and Monitoring Company (Private) Limited (PPMC), the mark-up on various tranches of foreign relent loans has to be aligned with Economic Affairs Division. Therfore a collective amount of Rupees 1,699.105 million has been reduced from accrued mark-up and adjusted in finance cost in Note 34.

6.6 These loans have been granted by Asian Development Bank (ADB) to GoP which have been re-lent to the Company on account of Power Distribution Enhancement Investment Program. These loans have been secured against the guarantees provided by GoP.

6.7 Power Planning and Monitoring Company (Private) Limited (PPMC) vide its letter No. DGCPCC/PEPCO/2152-63 dated 20 February 2017 directed the Company that the payment of debt service on account of foreign relent loans may be withheld till the final decision on the matter that debt service by the WAPDA, GENCOs and DISCOs may be adjusted against their receivable balances from GoP. Resultantly, the Company did not make any payment in respect of foreign relent loans. However, the Economic Affairs Division (EAD), GoP in its letter no. 6-16(1) DMR-II/2011 dated 30 July 2024 demanded repayment of principal along with mark-up amounting to Rupees 6,910.855 million.

7. STAFF RETIREMENT BENEFITS

The latest actuarial valuation of the fund as at 30 June 2025 was carried out using the 'Projected Unit Credit Method'. Details of the fund as per the actuarial valuation are as follows:

	2025 RUPEES	2024 RUPEES
Pension obligations (Note 7.1)	103,624,983,292	100,221,839,672
Free medical benefits (Note 7.1)	5,127,165,556	5,806,665,777
Free electricity (Note 7.1)	12,547,612,176	13,699,192,376
Leave encashment (Note 7.1)	1,549,449,657	2,611,137,960
	122,849,210,681	122,338,835,785

7.1 The amount of net defined obligations recognized in the statement of financial position is as follows:

	30 June 2025				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Present value of defined benefit obligations (Note 7.3)	137,191,102,886	11,307,086,626	16,849,413,023	4,272,220,405	169,619,822,940
Fair value of plan assets (Note 7.4)	(33,566,119,594)	(6,179,921,070)	(4,301,800,847)	(2,722,770,748)	(46,770,612,259)
Net defined benefit obligations (Note 7.2)	103,624,983,292	5,127,165,556	12,547,612,176	1,549,449,657	122,849,210,681

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Present value of defined benefit obligations (Note 7.3)	121,571,893,255	9,737,417,418	16,435,361,746	4,342,961,953	152,087,634,372
Fair value of plan assets (Note 7.4)	(21,350,053,583)	(3,930,751,641)	(2,736,169,370)	(1,731,823,993)	(29,748,798,587)
Net defined benefit obligations (Note 7.2)	100,221,839,672	5,806,665,777	13,699,192,376	2,611,137,960	122,338,835,785

7.2 Movement in the net defined benefit obligations is as follows:

	30 June 2025				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Balance as at 01 July 2024	100,221,839,672	5,806,665,777	13,699,192,376	2,611,137,960	122,338,835,785
Charge for the year (Note 7.5)	15,830,838,507	868,250,845	2,212,556,800	(94,102,622)	18,817,543,530
Remeasurements recognized in statement of comprehensive income (Note 7.6)	4,661,474,910	842,990,081	(1,771,960,287)	-	3,732,504,704
Benefits paid	(8,835,874,610)	(871,229,570)	(534,455,082)	(298,114,076)	(10,539,673,338)
Contribution made	(8,253,295,187)	(1,519,511,577)	(1,057,721,631)	(669,471,605)	(11,500,000,000)
Balance as at 30 June 2025	103,624,983,292	5,127,165,556	12,547,612,176	1,549,449,657	122,849,210,681

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Balance as at 01 July 2023	95,914,178,428	5,034,717,809	6,969,330,444	2,030,827,409	109,949,054,090
Charge for the year (Note 7.5)	17,142,242,612	897,967,773	1,258,210,886	1,046,894,427	20,345,315,698
Remeasurements recognized in statement of comprehensive income (Note 7.6)	(50,292,403)	1,153,989,952	6,198,002,277	-	7,301,699,826
Benefits paid	(7,565,908,118)	(797,320,597)	(449,206,192)	(368,798,922)	(9,181,233,829)
Contribution made	(5,218,380,847)	(482,689,160)	(277,145,039)	(97,784,954)	(6,076,000,000)
Balance as at 30 June 2024	100,221,839,672	5,806,665,777	13,699,192,376	2,611,137,960	122,338,835,785

7.3 Reconciliation of present value of defined benefit obligations:

	30 June 2025				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Balance as at 01 July 2024	121,571,893,255	9,737,417,418	16,435,361,746	4,342,961,953	152,087,634,372
Current service cost (Note 7.5)	1,482,514,151	161,683,446	368,710,381	11,508,897	2,024,416,875
Interest cost (Note 7.5)	16,401,553,833	1,302,252,369	2,263,538,789	587,146,688	20,554,491,679
Benefits paid during the year	(8,835,874,610)	(871,229,570)	(534,455,082)	(298,114,076)	(10,539,673,338)
Remeasurements	6,571,016,257	976,962,963	(1,683,742,811)	(371,283,057)	5,492,953,352
Balance as at 30 June 2025	137,191,102,886	11,307,086,626	16,849,413,023	4,272,220,405	169,619,822,940

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Balance as at 01 July 2023	107,857,884,961	8,109,028,642	9,192,257,637	3,586,383,489	128,745,554,729
Current service cost	1,800,510,427	143,011,489	182,366,513	10,385,907	2,136,274,336
Interest cost	16,391,801,617	1,214,383,014	1,412,405,590	535,812,484	19,554,402,705
Benefits paid during the year	(7,565,908,118)	(797,320,597)	(449,206,192)	(368,798,922)	(9,181,233,829)
Remeasurements	3,087,604,368	1,068,314,870	6,097,538,198	579,178,995	10,832,636,431
Balance as at 30 June 2024	121,571,893,255	9,737,417,418	16,435,361,746	4,342,961,953	152,087,634,372

7.4 Change in fair value of plan assets

	30 June 2025				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Balance as at 01 July	21,350,053,583	3,930,751,641	2,736,169,370	1,731,823,993	29,748,798,587
Expected return on plan assets	2,053,229,477	595,684,970	419,692,370	268,450,386	3,337,057,203
Cash flows:					
- Total employer's contributions					
(i) Employer's contributions	8,253,295,187	1,519,511,577	1,057,721,631	669,471,605	11,500,000,000
(ii) Employer's direct benefit payments	8,835,874,610	871,229,570	534,455,082	298,114,076	10,539,673,338
- Benefit payments from plan	(8,835,874,610)	(871,229,570)	(534,455,082)	(298,114,076)	(10,539,673,338)
Actuarial gain on plan assets	1,909,541,347	133,972,882	88,217,476	53,024,764	2,184,756,469
Balance as at 30 June	33,566,119,594	6,179,921,070	4,301,800,847	2,722,770,748	46,770,612,259

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Balance as at 01 July	11,943,706,533	3,074,310,833	2,222,927,193	1,555,556,080	18,796,500,639
Expected return on plan assets	1,050,069,432	459,426,730	336,561,217	223,657,733	2,069,715,112
Cash flows:					
- Total employer's contributions					
(i) Employer's contributions	5,218,380,847	482,689,160	277,145,039	97,784,954	6,076,000,000
(ii) Employer's direct benefit payments	7,565,908,118	797,320,597	449,206,192	368,798,922	9,181,233,829
- Benefit payments from plan	(7,565,908,118)	(797,320,597)	(449,206,192)	(368,798,922)	(9,181,233,829)
Actuarial gain on plan assets	3,137,896,771	(85,675,082)	(100,464,079)	(145,174,774)	2,806,582,836
Balance as at 30 June	21,350,053,583	3,930,751,641	2,736,169,370	1,731,823,993	29,748,798,587

7.5 Amounts recognized in the statement of profit or loss against defined benefit schemes are:

	30 June 2025				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Current service cost	1,482,514,151	161,683,446	368,710,381	11,508,897	2,024,416,875
Interest cost	16,401,553,833	1,302,252,369	2,263,538,789	587,146,688	20,554,491,679
Actuarial gain	-	-	-	(371,283,057)	(371,283,057)
Gain on plan assets	(2,053,229,477)	(595,684,970)	(419,692,370)	(321,475,150)	(3,390,081,967)
Net charge for the year	15,830,838,507	868,250,845	2,212,556,800	(94,102,622)	18,817,543,530

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Current service cost	1,800,510,427	143,011,489	182,366,513	10,385,907	2,136,274,336
Interest cost	16,391,801,617	1,214,383,014	1,412,405,590	535,812,484	19,554,402,705
Actuarial loss	-	-	-	579,178,995	579,178,995
Gain on plan assets	(1,050,069,432)	(459,426,730)	(336,561,217)	(78,482,959)	(1,924,540,338)
Net charge for the year	17,142,242,612	897,967,773	1,258,210,886	1,046,894,427	20,345,315,698

7.6 Remeasurements recognized in statement of comprehensive income:

	30 June 2025				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Experience adjustments	6,571,016,257	976,962,963	(1,683,742,811)	-	5,864,236,409
Gain on plan assets	(1,909,541,347)	(133,972,882)	(88,217,476)	-	(2,131,731,705)
	4,661,474,910	842,990,081	(1,771,960,287)	-	3,732,504,704

	30 June 2024				
	Pension	Free medical benefits	Free electricity benefits	Leave encashment	Total
	RUPEES				
Experience adjustments	3,087,604,368	1,068,314,870	6,097,538,198	-	10,253,457,436
(Gain) / loss on plan assets	(3,137,896,771)	85,675,082	100,464,079	-	(2,951,757,610)
	(50,292,403)	1,153,989,952	6,198,002,277	-	7,301,699,826

7.7 All of the investment of plan assets is in certain term deposit receipts of commercial banks.

7.8 The principal actuarial assumptions at the reporting date were as follows:

	30 June 2025			
	Pension	Free medical benefits	Free electricity benefits	Leave encashment
Discount rate for defined benefit obligation (per annum)	12.50%	12.50%	12.50%	12.50%
Discount rate for statement of profit or loss (per annum)	14.00%	14.00%	14.00%	14.00%
Electricity inflation rate (per annum)	-	-	12.50%	-
Annual medical claim per retired person's family - Rupees	-	24,000	-	-
Salary increase rate (per annum)	11.50%	13.00%	-	11.50%
Pension indexation rate (per annum)	6.25%	-	-	-
Take up rate of allowance-in service of facility	-	12.35%	-	-
Medical inflation rate (per annum)	-	14.00%	-	-
Mortality rates	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year
Withdrawal rates	Low	Low	Low	Low
Expected charge to the statement of profit or loss for the next financial year (Rupees)	12,224,529,293	678,663,683	2,460,054,378	204,781,080
Duration of scheme (years)	15	9	11	12

	30 June 2024			
	Pension	Free medical benefits	Free electricity benefits	Leave encashment
Discount rate for defined benefit obligation (per annum)	14.00%	14.00%	14.00%	14.00%
Discount rate for statement of profit or loss (per annum)	15.75%	15.75%	15.75%	15.75%
Electricity inflation rate (per annum)	-	-	14.00%	-
Annual medical claim per retired person's family - Rupees	-	21,806	-	-
Salary increase rate (per annum)	13.00%	13.00%	-	13.00%
Pension indexation rate (per annum)	8.00%	-	-	-
Take up rate of allowance-in service of facility	-	11.94%	-	-
Medical inflation rate (per annum)	-	15.75%	-	-
Mortality rates	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year	SLIC 2001-2005 setback 1 year
Withdrawal rates	Low	Low	Low	Low
Expected charge to the statement of profit or loss for the next financial year (Rupees)	11,931,699,190	974,616,655	2,669,661,026	377,221,664
Duration of scheme (years)	15	9	11	12

7.9 Sensitivity analysis for actuarial assumptions:

	30 June 2025			
	Pension	Free medical benefits	Free electricity benefits	Leave encashment
Discount rate	1.00%	1.00%	1.00%	1.00%
Increase in assumption (Rupees)	(7,024,184,468)	(962,233,072)	(1,751,434,140)	(398,861,854)
Decrease in assumption (Rupees)	33,241,404,230	1,163,499,214	2,091,778,111	627,487,841
Future salary increase	1.00%	-	-	1.00%
Increase in assumption (Rupees)	14,034,649,825	-	-	630,109,626
Decrease in assumption (Rupees)	864,303,948	-	-	(408,758,840)
Indexation rate	1.00%	-	1.00%	-
Increase in assumption (Rupees)	26,080,028,659	-	2,187,366,457	-
Decrease in assumption (Rupees)	(1,440,506,580)	-	(1,858,418,989)	-
Withdrawal rates	10.00%	10.00%	-	-
Increase in assumption (Rupees)	(41,157,331)	(3,392,126)	-	-
Decrease in assumption (Rupees)	41,157,331	3,392,126	-	-
Mortality setback	1 year	1 year	-	-
Increase in assumption (Rupees)	82,314,662	(6,784,252)	-	-
Decrease in assumption (Rupees)	(82,314,662)	6,784,252	-	-
Medical inflation rate	-	1.00%	-	-
Increase in assumption (Rupees)	-	1,016,507,088	-	-
Decrease in assumption (Rupees)	-	(884,214,174)	-	-

	30 June 2024			
	Pension	Free medical benefits	Free electricity benefits	Leave encashment
Discount rate	1.00%	1.00%	1.00%	1.00%
Increase in assumption (Rupees)	(6,224,480,934)	(828,654,223)	(1,693,657,413)	(469,603,402)
Decrease in assumption (Rupees)	29,456,869,736	1,001,980,252	2,022,664,270	556,746,293
Future salary increase	1.00%	-	-	1.00%
Increase in assumption (Rupees)	12,436,804,680	-	-	559,368,078
Decrease in assumption (Rupees)	765,902,928	-	-	(479,500,388)
Indexation rate	1.00%	-	1.00%	-
Increase in assumption (Rupees)	23,110,816,908	-	2,116,206,053	-
Decrease in assumption (Rupees)	(1,276,504,879)	-	(1,798,100,862)	-
Withdrawal rates	10.00%	10.00%	-	-
Increase in assumption (Rupees)	(36,471,568)	(2,921,225)	-	-
Decrease in assumption (Rupees)	36,471,568	2,921,225	-	-
Mortality setback	1 year	1 year	-	-
Increase in assumption (Rupees)	72,943,136	(5,842,450)	-	-
Decrease in assumption (Rupees)	(72,943,136)	5,842,450	-	-
Medical inflation rate	-	1.00%	-	-
Increase in assumption (Rupees)	-	875,393,826	-	-
Decrease in assumption (Rupees)	-	(761,466,042)	-	-

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the staff retirement benefits to significant actuarial assumptions, the same method (present value of the staff retirement benefits calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liabilities of staff retirement benefits recognized within the statement of financial position.

The methods, types and rates of assumptions used in preparing the sensitivity analysis were changed as compared to the previous year due to upward trend in discount rate structure and increase in inflationary expectations.

7.10 Risks associated with staff retirement benefits

The defined benefit plans expose the Company to the following risks:

Discount rate risk:

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

Salary increase / inflation risk:

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

Mortality risk

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

Withdrawal Risk:

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

8. LONG TERM SECURITY DEPOSITS

These represent security deposits received from consumers at the time of electricity connections and are refundable / adjustable on disconnection of electricity supply.

9. RECEIPTS AGAINST DEPOSIT WORKS

	2025 RUPEES	2024 RUPEES
Consumers demand notices awaiting connections (Note 9.1)	1,246,420,132	550,514,236
Funds received against deposit works (Note 9.2)	17,567,973,717	19,287,362,523
	18,814,393,849	19,837,876,759

9.1 These represent amounts received from consumers through demand notices against which the related works / jobs have not been completed.

9.2 These represent amounts received directly by the Company for electrification of villages, colonies and other deposit works, mainly provided through Government funding against which the related works / jobs have not been completed.

10. DEFERRED CREDIT

Balance as at 01 July	70,438,693,967	63,054,418,456
Additions during the year	8,989,737,033	7,384,275,511
	79,428,431,000	70,438,693,967
Less:		
Adjustment to deferred credit (Note 10.1)	4,559,231,708	-
Accumulated amortization:		
Balance as at 01 July	24,609,074,832	22,143,720,543
Amortization for the year	2,779,995,085	2,465,354,289
	27,389,069,917	24,609,074,832
Balance as at 30 June	47,480,129,375	45,829,619,135

10.1 This represents the adjustment of deferred credit portion related to property, plant and equipment written off during the year.

10.2 Deferred credit represents the capital contributions received from consumers and the Government against which assets are constructed by the Company.

		2025 RUPEES	2024 RUPEES
11.	**DEFERRED INCOME TAX LIABILITY**		
	Balance as at 01 July	9,445,560,876	6,500,486,235
	Add:		
	Add: Deferred income tax liability on surplus arising on revaluation of property, plant and equipment during the year	-	3,242,592,613
	Add: Adjustment of deferred income tax liability due to remeasurement at year end	3,257,089,957	-
		3,257,089,957	3,242,592,613
	Less:		
	Deferred income tax liability on incremental depreciation credited to the statement of profit or loss	298,403,221	218,852,878
	Deferred income tax liability on assets transferred during the year credited to the statement of profit or loss	754,250,431	78,665,094
		1,052,653,652	297,517,972
	Balance as at 30 June	11,649,997,181	9,445,560,876
11.1	Deferred income tax effect due to:		
	Accelerated tax depreciation on operating fixed assets	34,515,979,471	24,179,322,839
	Intangible assets	(2,598,823)	(2,741,527)
	Allowance for expected credit losses	(2,833,033,274)	(1,424,917,158)
	Provision for slow moving and obsolete items of stores, spares and loose tools	(15,175,119)	(10,713,945)
	Staff retirement benefits	(47,911,192,166)	(35,478,262,378)
	Workers' profit participation fund	(5,026,646,763)	(693,003,094)
	Unused tax losses and unabsorbed tax depreciation	(79,038,177,979)	(98,869,259,683)
	Minimum tax	(18,522,377,938)	(5,381,537,200)
		(118,833,222,591)	(117,681,112,146)
	Unrecognized deferred tax asset	118,833,222,591	117,681,112,146
		-	-

11.2 Deferred income tax liability is created on surplus on revaluation of property, plant and equipment. Other taxable and deductible temporary differences result in deferred income tax asset which has not been recognized in these financial statements due to uncertainty and non-availability of sufficient future taxable profits as these temporary differences are not likely to reverse in the foreseeable future.

12.	**TRADE AND OTHER PAYABLES**		
	Creditors	1,642,383,665	1,181,171,643
	Due to associated companies (Note 12.1)	52,869,063,095	89,764,183,728
	Billing related payables (Note 12.2)	15,941,368,785	15,995,757,120
	Workers' profit participation fund (Note 12.3)	12,888,837,854	2,389,665,842
	Excess receipt against deposit work	1,259,145,040	1,007,600,327
	Accrued liabilities	819,006,452	1,081,172,724
	Contract liabilities - unsecured (Note 12.4)	2,437,429,839	1,543,543,842
	Tariff adjustments (Note 12.5)	20,237,808,348	-
	Sales tax payable	8,561,756,474	9,355,013,756
	Income tax deducted at source	118,203,111	106,538,814
	Retention money payable	196,874,074	260,834,567
	Other liabilities	920,525,979	893,365,287
		117,892,402,716	123,578,847,650
12.1	**Due to associated companies**		
	Central Power Purchasing Agency (Guarantee) Limited (CPPA-G)	52,857,563,676	89,102,958,844
	Due to associated companies on account of free electricity (Note 12.1.1)	139,934	586,283,569
	Due to associated companies on account of pension (Note 12.1.2)	11,359,485	74,941,315
		52,869,063,095	89,764,183,728
12.1.1	**Due to associated companies on account of free electricity**		
	Peshawar Electric Supply Company Limited (PESCO)	-	17,833,666
	Lahore Electric Supply Company Limited (LESCO)	-	563,231,137
	Sukkur Electric Power Company Limited (SEPCO)	-	5,073,239
	Power Information Technology Company (PITC)	139,934	145,527
		139,934	586,283,569
12.1.2	**Due to associated companies on account of pension**		
	Peshawar Electric Supply Company Limited (PESCO)	5,609,563	36,204,498
	Lahore Electric Supply Company Limited (LESCO)	-	38,736,817
	Hyderabad Electric Supply Company Limited (HESCO)	5,749,922	-
		11,359,485	74,941,315

		2025 RUPEES	2024 RUPEES
12.2	**Billing related payables**		
	Equalization surcharge payable (Note 12.2.1)	2,201,672,866	2,201,953,960
	Electricity duty payable	399,918,608	467,944,149
	TV License fee payable	118,869,255	117,126,092
	Neelum Jhelum surcharge (Note 12.2.2)	2,551,032,842	1,127,410,471
	Extra / further tax	942,092,726	1,117,613,969
	Income tax	1,162,854,483	1,390,924,107
	Financing cost surcharge payable	4,179,906,679	3,902,800,433
	Tariff rationalization surcharge payable	4,267,848,609	5,554,057,641
	General sales tax	117,172,717	115,926,298
		15,941,368,785	15,995,757,120

12.2.1 Equalization surcharge was collected from consumers pursuant to S.R.O. 235(1)2011, dated 15 March 2011 issued by the Ministry of Energy, GoP. The amount was collected from customers during the period from April 2011 to May 2012 but further collection was discontinued on account of a subsequent S.R.O. 505(1)2012, dated 16 May 2012. Payment of this amount to the Federal Government is currently deferred as payment mechanism has not been conveyed to the Company by the GoP. The Company through letter No. 2613/FESCO/CFO/Compilation dated 30 April 2025 requested the Ministry of Energy to impart necessary guidelines for adjustment of the equalization surcharge.

12.2.2 On 19 February 2021 ECC of the cabinet through its decision No. ECC-53/6/2021 approved Neelum Jhelum surcharge (NJ surcharge) revocation summary dated 12 February 2021, submitted by Ministry of Energy (Power division). Inadvertently, an amount of 1,422.464 million was transferred to the Neelum Jhelum Hydro-power Company (Private) Limited (NJHPC) in respect of NJ Surcharge which has been recorded as a receivable from NJHPCL in the current year. Further, it was approved that NJ surcharge collected by DISCOs and transferred to WAPDA after 28 December 2018 was audited by the Auditor General of Pakistan and the amount would be returned to the eligible consumers / adjusted in their forthcoming electricity bills.

12.3	**Workers' profit participation fund (WPPF)**		
	Balance as at 01 July	2,389,665,842	2,053,934,920
	Add:		
	Provision for the previous years (Note 12.3.1)	2,706,677,670	-
	Provision for the year	1,561,417,198	335,730,922
		4,268,094,868	335,730,922
	Add: Interest accrued (Note 34)	6,231,077,144	-
	Balance as at 30 June	12,888,837,854	2,389,665,842

12.3.1 Upon the recommendation of Power Planning and Monitoring Company (Private) Limited (PPMC) in the meeting dated 11 August 2025, subsequent to the reporting date, the Company recognized WPPF of previous years of 2004, 2009, 2010, 2013, 2014 and 2015 amounting to Rupees 2,706.678 million. Moreover the interest on WPPF thereon, having collective amount of Rupees 6,231.077 million was also accrued. The interest is charged at prescribed rates of the relevant years under the Companies Profit (Workers Participation) Act, 1968.

12.4 The Company has recognized revenue of Rupees 829.564 million (2024: Rupees 694.763 million) from amounts included in contract liabilities at the year end.

12.5 This represents the adjustment of fuel price adjustment and quarterly tariff adjustmenst, which consists of capacity charges, use of system charges, variable Operations and Maintenance (O&M) and impact of Transmission and Distribution (T&D) losses on monthly Fuel Price Adjustment (FPA).

13.	**ACCRUED MARK-UP**		
	Foreign re-lent loans	36,153,780	113,162,964
	Overdue mark-up on foreign re-lent loans	4,830,875,148	5,997,931,724
		4,867,028,928	6,111,094,688
14.	**TAXATION AND LEVY - NET**		
	Advance income tax - net		
	Provision for taxation (Note 36)	1,540,729,741	2,329,981
	Advance income tax	(6,114,862,507)	(5,324,210,083)
		(4,574,132,766)	(5,321,880,102)
	Levy payable	8,543,842,239	5,677,787,261
		3,969,709,473	355,907,159

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 Income tax

(i) Additional Commissioner Inland Revenue passed an Order No. 678 dated 23 December 2015 under section 122(5A) raising a demand of Rupees 156.009 million for the tax year 2010, in respect of wrongful set off of part of accumulated unabsorbed depreciation against interest from bank deposits / instruments and non-payment of tax on such income. After the resolution of this matter by Appellate Tribunal Inland Revenue in favour of the Company. Regional Tax Office filed an appeal on 22 November 2018 before Lahore High Court, Lahore which is pending for adjudication.

(ii) 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, which is pending for

(iii) 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, which are pending for adjudication.

(iv) 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, which is pending for adjudication.

(v) Additional Commissioner Inland Revenue passed an Order vide bar code No. 100000115217240 dated 23 December 2021 for tax year 2018 under section 122(5A) of the Ordinance, creating a demand of Rupees 3,699.121 million in respect of non payment of alternative corporate tax. Being aggrieved with the order, the Company filed an appeal before Commissioner Inland Revenue (Appeals) on 31 January 2022. Subsequent to the enactment of the State Owned Enterprises (Governance and Operations) Act, 2023 and under section 134A of Income Tax Ordinance, 2001 amended vide Tax Laws (Amendment) Act, 2024, the Company is in process of filing an appeal before the department for appointment of Alternate Dispute Resolution Committee. The case will be adjudicated by ADRC after its appointment, which is in process.

(vi) Deputy Commissioner Inland Revenue issued Order vide bar code No. 100000126469023 dated 28 June 2022 for tax year 2016 under section 161(1) of the Ordinance raising a demand of Rupees 485.783 million in respect of tax year 2016 regarding non deduction of withholding tax against payment of salaries, wages and other benefits to employees. The Company filed an appeal before Commissioner Inland Revenue (Appeals) on 25 July 2022. Subsequent to the enactment of the State Owned Enterprises (Governance and Operations) Act, 2023 and under section 134A of Income Tax Ordinance, 2001 amended vide Tax Laws (Amendment) Act, 2024, the Company has filed an appeal, subsequent to the reporting date on 14 July 2025 before the department for appointment of Alternate Dispute Resolution Committee (ADRC). The case will be adjudicated by ADRC after its appointment, which is in process.

(vii) Deputy Commissioner Inland Revenue issued Order vide bar code No. 100000115292828 dated 27 December 2021 for tax year 2020 under section 161(1) of the Ordinance raising a demand amounting to Rupees 655.422 million, in respect of non deduction of withholding tax against payment of salaries, wages and other benefits to employees. The Company filed an appeal before Commissioner Inland Revenue (Appeals) on 26 January 2022. Subsequent to the enactment of the State Owned Enterprises (Governance and Operations) Act, 2023 and under section 134A of Income Tax Ordinance, 2001 amended vide Tax Laws (Amendment) Act, 2024, the Company is in process of filing an appeal before the department for appointment of Alternate Dispute Resolution Committee (ADRC). The case will be adjudicated by ADRC after its appointment.

(viii) Additional Commissioner Inland Revenue passed an Order vide bar code No. 100000152763555 dated 31 May 2023 for tax year 2020 under section 122(5A) of the Ordinance, creating a demand of Rupees 191.574 million in respect of short payment of turnover tax. Being aggrieved with the order, the Company filed an appeal before Commissioner Inland Revenue (Appeals) on 27 June 2023. Subsequent to the enactment of the State Owned Enterprises (Governance and Operations) Act, 2023 and under section 134A of Income Tax Ordinance, 2001 amended vide Tax Laws (Amendment) Act, 2024, the Company has filed an appeal, subsequent to the reporting date on 14 July 2025 before the department for appointment of Alternate Dispute Resolution Committee (ADRC). The case will be adjudicated by ADRC after its appointment, which is in process.

(ix) Deputy Commissioner Inland Revenue issued Order vide bar code No. 100000138073803 dated 21 December 2022 for tax year 2017 under section 161(1) of the Ordinance raising a demand amounting to Rupees 14.399 million, in respect of non deduction of withholding tax under section 235. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) on 27 September 2022, which is pending for adjudication.

(x) Assistant Commissioner Inland Revenue issued order vide bar code No. 100000154493099 dated 27 June 2023 under section 205/161 of the Ordinance for the tax year 2017, raising a demand of Rupees 349.159 million, in respect of non deduction of withholding tax on salary under section 149. The Company filed an appeal before Commissioner Inland Revenue (Appeals) on 26 July 2023. Subsequent to the enactment of the State Owned Enterprises (Governance and Operations) Act, 2023 and under section 134A of Income Tax Ordinance, 2001 amended vide Tax Laws (Amendment) Act, 2024, the Company has filed an appeal, subsequent to the reporting date on 14 July 2025 before the department for appointment of Alternate Dispute Resolution Committee (ADRC). The case will be adjudicated by ADRC after its appointment, which is in process.

(xi) Additional Commissioner Inland Revenue passed an Order vide bar code No. 100000184499081 dated 18 January 2024 for tax year 2022 under section 122(5A) of the Ordinance, creating a demand of Rupees 913.459 million in respect of short payment of turnover tax. The Company filed an appeal before Commissioner Inland Revenue (Appeals) on 18 February 2024. Subsequent to the enactment of the State Owned Enterprises (Governance and Operations) Act, 2023 and under section 134A of Income Tax Ordinance, 2001 amended vide Tax Laws (Amendment) Act, 2024, the Company is in process of filing an appeal before the department for appointment of Alternate Dispute Resolution Committee (ADRC). The case will be adjudicated by ADRC after its appointment.

(xii) Deputy Commissioner Inland Revenue issued Order vide No. 90 dated 29 June 2018 for tax year 2014 under section 122(5) of the Ordinance raising a demand amounting to Rupees 2,407.321 million, in respect of Alternate Corporate tax. The Company filed an appeal before Commissioner Inland Revenue (Appeals), who rejected the Company's appeal on 20 August 2018. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR), who decided the case in favour of the Company dated 13 March 2024. The department filed a reference dated 10 March 2025 before Lahore High Court, Lahore against the order of ATIR, which is pending for adjudication.

(xiii) Additional Commissioner Inland Revenue passed an Order vide bar code No. 100000230445632 dated 27 February 2025 for tax year 2020 under section 122(5A) of the Ordinance, raising a demand of Rupees 1,069.996 million in respect of short payment of turnover tax. The Company filed an appeal under section 134A of the Ordinance before the department for appointment Alternate Dispute Resolution Committee (ADRC) dated 03 April 2025. The case will be adjudicated by ADRC after its appointment, which is in process. However, the Company has provided for the minimum tax relating to the subsidy for the tax year 2020 amounting to Rupees 878.425 million in the current financial year.

(xiv) Additional Commissioner Inland Revenue passed an Order vide bar code No. 100000244299621 dated 30 June 2025 for tax year 2019 under section 161(1) of the Ordinance, raising a demand of Rupees 780.744 million in respect of short payment of withholding tax. The Company is in process of filing an appeal under section 134A of Income Tax Ordinance, 2001 before the department for appointment of Alternate Dispute Resolution Committee (ADRC). The case will be adjudicated by ADRC after its appointment.

Aggregate provision of Rupees 10,187.218 million regarding the cases stated in paragraph numbers 15.1.1 (i) to 15.1.1 (xiv) has not been accounted for in the books of account of the Company as in the opinion of tax advisors, the favorable outcomes of these cases are expected.

Sales Tax

(xv) 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 which is pending for adjudication.

(xvi) Assistant Commissioner Inland Revenue (ACIR) issued an Order No. 1725 dated 27 February 2019 under section 26 of Sales Tax Act, 1990 raising a demand of Rupees 66.640 million in respect of non-chargeability of sales tax on free supply to Company's employees. The Company has filed an appeal on 13 April 2019 before the Commissioner Inland Revenue (Appeals) (CIR - A), who remanded back the case to ACIR vide Order No. 473 dated 05 November 2019. However after the order passed against the Company by ACIR, the Company filed an appeal dated 29 June 2021 before CIR-A who remanded back the case to ACIR. Remand back proceedings are in progress.

(xvii) Deputy Commissioner Inland Revenue issued a show cause notice No. 344 dated 09 January 2013 raising a demand of Rupees 6,767.126 million for the tax year 2009-10 in respect of penalty for suppression of sales, inadmissible input tax claimed, non-charging of sales tax on subsidy etc. Upon decision of Appellate Tribunal Inland Revenue in favour of the Company, Regional Tax Office filed reference application before Lahore High Court, Lahore on 23 December 2019, which is pending for adjudication.

(xviii) The Company lodged twelve sales tax refund claims amounting to Rupees 7,704 million with Regional Tax Officer from November 2008 to June 2014. Out of these twelve claims, eight refund claims amounting to Rupees 5,224 million have been rejected by Assistant Commissioner Inland Revenue. However, Commissioner Inland Revenue (Appeals) have remanded back the case to Assistant Commissioner Inland Revenue. The Company has filed an appeal before Appellate Tribunal Inland Revenue on 30 April 2021 against the rejection of claims, which is pending for adjudication.

(xix) 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. The 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, which is pending for adjudication.

(xx) Additional Commissioner Punjab Revenue Authority issued show cause notice No. 12225 dated 14 December 2021 under section 24 and 52 of Punjab Sales Tax Act, 2012 by raising demand of Rupees 1,131.949 million, in respect of non-chargeability of Punjab Sales Tax on various services performed by the Company for the tax periods from July 2019 to June 2021. The Company filed a writ petition dated 12 January 2022 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 on 04 September 2023 which is pending for adjudication.

(xxi) Additional Commissioner Punjab Revenue Authority issued show cause notice No. 11376 dated 26 February 2021 raising a demand of Rupees 20.934 million, in respect of default surcharge on non charging of Punjab Sales Tax on services performed by the Company for the tax period from July 2014 to June 2020 under section 52 of Punjab Sales Tax Act, 2012. The Company filed an appeal before Commissioner (Appeals), Punjab Revenue Authority dated 28 September 2021, which resulted in assessment order upholding the original demand. The Company being aggrieved filed an appeal before Appellate Tribunal, Punjab Revenue Authority on 15 July 2024, which is pending for adjudication.

(xxii) 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 and the case is pending for adjudication.

(xxiii) Deputy Commissioner Inland Revenue passed an order No. 17/2022-23 dated 26 June 2023 in respect of non chargeability of sales tax on free supply of electricity to Company's employees during tax periods from July 2018 to June 2019 and raised demand of Rupees 132.103 million along with default surcharge and penalty amounting to Rupees 6.605 million. An appeal was filed before Commissioner Inland Revenue (Appeals) on 27 July 2023 who remanded back the case to assessing officer for further verification, which is in process.

(xxiv) Deputy Commissioner Inland Revenue issued Order No. 02/2021 dated 26 March 2021 in respect of late filing of sales tax return during tax period August 2019 to June 2020 raising demand of Rupees 263.461 million as penalty and default surcharge. An appeal was filed before Commissioner Inland Revenue (Appeals) [CIR(A)] on 14 April 2021, who passed an order against the Company. Afterwards, the Company filed appeal before Appellate Tribunal Inland Revenue on 26 July 2022, who remanded back the case to Assessing Officer. The Assessing Officer passed the order against the Company on 29 March 2024. Then the Company filed an appeal dated 22 January 2025 for appointment of Alternate Dispute Resolution Committee (ADRC). The case will be adjudicated by ADRC after its appointment, which is in process.

(xxv) The Company has claimed input tax adjustment pertaining to the tax periods July 2019 and August 2019 on which show cause notices u/s 11 of the Sales Tax Act, 1990 were issued that input tax was claimed against output tax on purchase of items which were not admissible so the amounts of Rupees 13.757 million and Rupees 19.996 million were ordered to be recovered from Company along with default surcharge and penalty. The Company filed appeal before Commissioner Inland Revenue (Appeals) who upheld the order. The Company filed second appeals before Appellate Tribunal Inland Revenue (ATIR) who submitted that the input tax adjustment claimed is admissible in terms of section 7 of the Act. The case was remanded back to assessing officer vide order STA No. 861 & 862 to obtain necessary evidences from the Company in support of the claim and thereafter decide the issue in accordance with law. Thereafter, assessing officer upheld the order in original. The Company being aggrieved, filed an appeal before ATIR on 30 November 2023 which is pending for adjudication.

(xxvi) 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 meter rerollers. 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, which is pending for adjudication.

(xxvii) Additional Commissioner Punjab Revenue Authority passed an order No. 25/2025 dated 19 February 2025 raising a demand of Rupees 400.310 million, in respect of non withholding and payment of sales tax by the Company for the tax periods from July 2021 to June 2023. The Company filed an appeal before Commissioner (Appeals), Punjab Revenue Authority dated 15 April 2025, which is pending for adjudication.

(xxviii) Deputy Commissioner Inland Revenue issued Order No. 45/2024-25 dated 17 April 2025 in respect non payment of sales tax for the financial years 2022 and 2023 raising demand of Rupees 118.395 million. The Company filed an appeal before the department for appointment of Alternate Dispute Resolution Committee (ADRC) on 10 June 2025. The case will be adjudicated by ADRC after its appointment, which is in process.

(xxix) Deputy Commissioner Inland Revenue issued Order No. 03/2024-25 dated 22 August 2024 against input tax credit claimed on goods and services for the tax year 2022 raising demand of Rupees 5,868.184 million. The case was adjudicated by the Alternate Dispute Resolution Committee (ADRC) on 10 January 2025, who ordered 50 percent to the Company. Being aggrieved the Company filed a writ petition against the order of ADRC in Lahore High Court, Lahore, on 22 July 2025, which is pending for adjudication.

Aggregate provision of Rupees 19,324.735 million relating to the above stated paragraph numbers 15.1.1 (xvi) to 15.1.1 (xxx) has not been recorded in the books of accounts of the Company on the advice of tax advisors of the Company, as favourable outcome of these cases are expected.

15.1.2 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 30 June 2025. Moreover, their are certain other outstanding entries amounting to Rupees 189.730 million - net recorded as recoverable from CPPA-G which has not been acknowledged as payable by CPPA-G uptill 30 June 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.

15.1.3 In addition to above-mentioned matters, large number of small cases have been filed against the Company, primarily by the Company's employees, customers and vendors, the quantum of which cannot be estimated reliably. However, the management is of the view that in the overall context of these financial statements, there would be no significant liability of the Company against such cases.

15.2 Commitments

15.2.1 Contracts for capital expenditure are of Rupees 1,694.751 million (2024: Rupees 3,312.202 million).

15.2.2 Inland letter of credits in respect of capital expenditure are of Rupees 225.683 million (2024: Rupees 136.091 million).

15.2.3 Contracts for other than capital expenditure are of Rupees 0.360 million (2024: Rupees 43.279 million).

		2025 RUPEES	2024 RUPEES
16.	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating fixed assets (Note 16.1)	213,620,310,189	199,361,811,457
	Capital work-in-progress (Note 16.2)	24,674,108,341	31,421,235,994
		238,294,418,530	230,783,047,451

16.1 Operating fixed assets

	Freehold land	Buildings on freehold land	Feeders (up to 11 kv)	Grids and equipment	Vehicles	Furniture, fixtures and office equipment	Total
	RUPEES						
As at 30 June 2023							
Cost / revalued amount	31,246,168,980	5,377,102,282	101,570,958,506	44,200,997,340	1,656,242,969	1,226,151,605	185,277,621,682
Accumulated depreciation	-	(723,534,641)	(35,502,449,864)	(11,020,129,337)	(923,478,676)	(782,123,388)	(48,951,715,906)
Impairment loss	-	(453,912,940)	-	-	-	-	(453,912,940)
Net book value	31,246,168,980	4,199,654,701	66,068,508,642	33,180,868,003	732,764,293	444,028,217	135,871,992,836
Year ended 30 June 2024							
Opening net book value	31,246,168,980	4,199,654,701	66,068,508,642	33,180,868,003	732,764,293	444,028,217	135,871,992,836
Effect of surplus on revaluation	41,809,597,920	-	3,241,647,495	7,939,706,344	-	-	52,990,951,759
Additions / transferred from capital work-in-progress	-	515,050,280	14,517,398,852	2,096,287,786	184,279,478	266,189,193	17,579,205,589
Transferred to stores and spares / written off							
Cost / revalued amount	-	-	(2,137,379,763)	(264,343,468)	(9,747,027)	(793,000)	(2,412,263,258)
Accumulated depreciation	-	-	681,506,008	102,002,165	9,747,027	626,388	793,881,588
	-	-	(1,455,873,755)	(162,341,303)	-	(166,612)	(1,618,381,670)
Reversal of impairment loss	-	138,548,206	-	-	-	-	138,548,206
Depreciation charge	-	(99,334,073)	(3,738,591,563)	(1,554,375,500)	(100,037,806)	(108,166,321)	(5,600,505,263)
Closing net book value	73,055,766,900	4,753,919,114	78,633,089,671	41,500,145,330	817,005,965	601,884,477	199,361,811,457
As at 30 June 2024							
Cost / revalued amount	73,055,766,900	5,892,152,562	117,192,625,090	53,972,648,002	1,830,775,420	1,491,547,798	253,435,515,772
Accumulated depreciation	-	(822,868,714)	(38,559,535,419)	(12,472,502,672)	(1,013,769,455)	(889,663,321)	(53,758,339,581)
Impairment loss	-	(315,364,734)	-	-	-	-	(315,364,734)
Net book value	73,055,766,900	4,753,919,114	78,633,089,671	41,500,145,330	817,005,965	601,884,477	199,361,811,457
Year ended 30 June 2025							
Opening net book value	73,055,766,900	4,753,919,114	78,633,089,671	41,500,145,330	817,005,965	601,884,477	199,361,811,457
Additions / transferred from capital work-in-progress	40,606,967	1,486,422,517	16,495,950,248	12,916,804,123	86,533,602	363,144,289	31,389,461,746
Transferred to stores and spares / written off							
Cost / revalued amount	-	-	(13,434,637,235)	(804,289,149)	(14,228,163)	(118,659)	(14,253,273,206)
Accumulated depreciation	-	-	3,697,815,375	105,164,442	14,228,163	118,659	3,817,326,639
	-	-	(9,736,821,860)	(699,124,707)	-	-	(10,435,946,567)
Depreciation charge	-	(121,476,818)	(4,254,074,410)	(2,068,108,595)	(109,256,584)	(142,100,040)	(6,695,016,447)
Closing net book value	73,096,373,867	6,118,864,813	81,138,143,649	51,649,716,151	794,282,983	822,928,726	213,620,310,189

	Freehold land	Buildings on freehold land	Feeders (up to 11 kv)	Grids and equipment	Vehicles	Furniture, fixtures and office equipment	Total
	RUPEES						
As at 30 June 2025							
Cost / revalued amount	73,096,373,867	7,378,575,079	120,253,938,103	66,085,162,976	1,903,080,859	1,854,573,428	270,571,704,312
Accumulated depreciation	-	(944,345,532)	(39,115,794,454)	(14,435,446,825)	(1,108,797,876)	(1,031,644,702)	(56,636,029,389)
Impairment loss	-	(315,364,734)	-	-	-	-	(315,364,734)
Net book value	73,096,373,867	6,118,864,813	81,138,143,649	51,649,716,151	794,282,983	822,928,726	213,620,310,189
Annual rate of depreciation (%)	-	2	3.5	3.5	10	10-33.33	

16.1.1 The property and rights in the above assets were transferred to the Company on 29 June 1998 by WAPDA in accordance with the terms and conditions of the Business Transfer Agreement (BTA) executed between WAPDA and the Company. The detail of these assets were finalized with WAPDA through a Supplementary Business Transfer Agreement (SBTA).

16.1.2 Title of freehold land valuing Rupees 41,453.848 million (2024: Rupees 46,632.473 million) is in the name of WAPDA as at 30 June 2025. However, subsequent to the year end uptill 11 July 2025 title of further freehold land valuing Rupees 37,027.950 million was transferred in the name of the Company. Title of freehold land valuing of Rupees 17,909.064 million (2024: Rupees 17,875.61 million) has neither been transferred in the name of WAPDA nor in the name of the Company. The possession of freehold land amounting to Rupees 40.832 million (2024: 40.832 million) and buildings thereon amounting to Rupees 1.433 million (2024: Rupees 1.462 million) is not in control of the Company and with some other third parties, therefore, these assets are not revalued. Moreover, the operating fixed assets having book value of Rupees 341.366 million (2024: Rupees 353.747 million) has not been revalued due to certain inherent limitations.

16.1.3 On 01 March 2019 and on 20 May 2020, the Company entered into Authorization and Interest agreements with Power Holding Limited (PHL) and Meezan Bank Limited (MBL), in which Company authorized PHL to carry out "Certain Actions" in relation to Relevant Transaction Assets representing freehold land at all districts within the geographical area of the Company, having combined area of 4 646 kanals and 6 marlas amounting to Rupees 9,389.915 million. Certain Actions include selling the Relevant Transaction Assets to MBL and creating a security interest over the same for the purpose of enabling PHL to raise financing through the Sukuk issue. In addition to this agreement, PHL entered into an Asset Purchase Agreement with MBL for selling the Relevant Transaction Assets to MBL which include the freehold land of the Company and of other distribution and generation companies for a total purchase price of Rupees 200,000 million against which Sukuk certificates have been issued by PHL for a period of ten years. However, the Company holds the title of the transaction assets as title agent.

16.1.4 Forced sales value of freehold land was Rupees 62,063 million, buildings on freehold land was Rupees 3,844 million, feeders (up to 11 kv) was Rupees 70,768 million and grids and equipment was Rupees 35,162 million as per last valuation carried on 30 June 2024.

15.1.5 Operating fixed assets include assets having cost of Rupees 1,336.133 million (2024: Rupees 1,153.811 million) which are fully depreciated and still in use of the Company.

16.1.6 If the freehold land, buildings on freehold land, feeders (up to 11 kv), grids and equipment were measured using the cost model, the carrying amount would be as follows:

	Cost	Accumulated depreciation	Impairment loss	Net book value
	RUPEES			
Land - freehold	1,196,662,834	-	-	1,196,662,834
Building on freehold land	6,085,986,658	(1,106,520,609)	(315,364,734)	4,664,101,315
Feeders (up to 11 kv)	107,716,020,551	(33,478,909,759)	-	74,237,110,792
Grids and equipment	42,149,033,991	(11,084,580,879)	-	31,064,453,112
2025	157,147,704,034	(45,670,011,247)	(315,364,734)	111,162,328,053
2024	137,240,247,749	(43,452,572,605)	(315,364,734)	93,472,310,410

16.1.7 The assets having cost of Rupees 11,032.355 million (2024: Rupees 1,965.430 million) and accumulated depreciation of Rupees 3,197.272 million (2024: Rupees 618.474 million) were retired during the year.

		2025 RUPEES	2024 RUPEES
16.1.8	**Depreciation charge for the year has been allocated as follows:**		
	Distribution cost (Note 30)	6,495,668,044	5,428,189,408
	Administrative expenses (Note 31)	177,830,327	146,559,316
	Customer services costs (Note 32)	3,402,264	2,152,988
	Included in capital work-in-progress (Note 16.2.4)	18,115,812	23,603,551
		6,695,016,447	5,600,505,263
16.2	**Capital work-in-progress**		
	Civil works	193,968,777	139,581,506
	Distribution equipment (Note 16.2.1)	22,217,828,676	29,152,532,838
		22,411,797,453	29,292,114,344
	Geographic Information System (GIS) Mapping Project	104,326,419	-
	Cost of implementation of Enterprise Resource Planning	84,456,076	84,418,516
	Mobilization advance to suppliers / contractors	20,211,400	52,778,275
	Capital stores (Note 16.2.3)	2,053,316,993	1,991,924,859
		24,674,108,341	31,421,235,994
16.2.1	**Distribution equipment**		
	Materials	17,987,693,624	22,744,879,601
	Overheads	1,970,114,680	2,557,086,175
	Contract work	2,260,020,372	3,850,567,062
		22,217,828,676	29,152,532,838
16.2.2	**Movement in civil works and distribution equipment during the year:**		
	Balance as at 01 July	29,292,114,344	25,153,142,960
	Add: Additions during the year	19,370,744,347	14,687,191,157
		48,662,858,691	39,840,334,117
	Less:		
	Transferred to freehold land	40,606,967	-
	Transferred to buildings on freehold land	1,486,422,517	515,050,280
	Transferred to feeders, grids and equipment	24,576,093,126	10,033,169,493
	Adjusted with receipts against deposit work	147,938,628	-
		26,251,061,238	10,548,219,773
	Balance as at 30 June	22,411,797,453	29,292,114,344

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

16.2.4 Depreciation capitalized related to capital work-in-progress was Rupees 18.116 million (2024: Rupees 23.604 million) as given in Note 16.1.8. Moreover operating expenses of Rupees 1,775.921 million (2024: Rupees 1,382.390 million) have also been included in capital work-in-progress as given in Note 30.

17. INTANGIBLE ASSETS

	2025 RUPEES	2024 RUPEES
Computer softwares		
Cost	213,570,873	213,570,873
Accumulated amortization	(212,671,688)	(212,202,548)
Net book value	899,185	1,368,325
Movement during the year		
Opening net book value	1,368,325	1,837,465
Amortization charge for the year (Note 31)	(469,140)	(469,140)
	899,185	1,368,325
Amortization rate (per annum)	20%	20%

17.1 Intangible assets having cost of Rupees 211.225 million (2024: Rupees 211.225 million) are fully amortised.

17.2 These include various modules of SAP ERP softwares.

		2025 RUPEES	2024 RUPEES
18.	**LONG TERM ADVANCES**		
	Considered good - secured		
	House building / purchase of plot	254,559,014	218,113,261
	Vehicles / motor cycles	7,456,958	7,597,476
		262,015,972	225,710,737
	Less: Current portion of long term advances (Note 22)	(34,935,463)	(30,094,765)
		227,080,509	195,615,972

18.1 These include advances given to executives amounting to Rupees 48.355 million (2024: Rupees 41.386 million). The maximum aggregate amount due from these executives at the end of any month during the year was Rupees 48.355 million (2024: Rupees 41.386 million).

18.2 Long term advances are repayable in ninety (90) installments. As per Company's policy, these are recoverable in equal monthly installments. Interest is being charged @ 5% per annum on outstanding balance of loan. These advances are secured by mortgage of immovable property and hypothecation of vehicles.

19. LONG TERM DEPOSITS

These represent security deposits with utility companies and an oil company against connections and fuel cards respectively.

20. STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools	7,390,365,173	6,661,934,581
Less: Provision for slow moving and obsolete items of stores, spares and loose tools - net (Note 20.1)	(38,910,562)	(36,944,636)
	7,351,454,611	6,624,989,945

20.1 Provision for slow moving and obsolete items of stores, spares and loose tools - net

Balance as at 01 July	36,944,636	37,739,078
Add: Provision for slow moving and obsolete items (Note 30)	1,965,926	-
Less: Reversal of portion for slow moving and obsolete items	-	(794,442)
Balance as at 30 June	38,910,562	36,944,636

21. TRADE DEBTS

Partially secured:		
Considered good (Note 21.1)	77,175,184,426	81,029,314,206
Less: Allowance for expected credit losses (Note 21.2)	7,264,187,881	4,913,507,442
	69,910,996,545	76,115,806,764

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

21.2 Allowance for expected credit losses

Balance as at 01 July	4,913,507,442	4,314,242,176
Add: Allowance for expected credit losses - net (Note 32)	2,350,680,439	599,265,266
Balance as at 30 June	7,264,187,881	4,913,507,442

21.2.1 The allowance for expected credit losses is made on net basis due to large number of consumers of the Company.

21.3 As at 30 June, ageing analysis of these trade debts is as follows:

Not past due yet	65,473,313,712	70,397,642,510
Due up to 1 year	7,721,983,344	10,217,548,241
1 year to 3 years	2,581,142,873	722,479,835
3 years and above	3,419,908,262	3,301,247,632
Deferred arrears	1,263,136,746	889,779,975
Balances due from Government	28,990,067,086	27,674,146,086
	109,449,552,023	113,202,844,279
Less: Taxes and surcharge receivables	32,274,367,597	32,173,530,073
Less: Allowance for expected credit losses	7,264,187,881	4,913,507,442
	69,910,996,545	76,115,806,764

		2025 RUPEES	2024 RUPEES
22.	**LOANS AND ADVANCES**		
	Considered good		
	Advances to suppliers	260,789,236	294,597,626
	Advances to employees against expenses	14,789,511	20,093,736
	Advances to employees for sports	-	2,241,600
	Current portion of long term advances (Note 18)	34,935,463	30,094,765
		310,514,210	347,027,727
23.	**OTHER RECEIVABLES**		
	Considered good		
	Duties, charges and taxes (Note 23.1)	-	-
	Sales tax and other taxes receivable from consumers	20,122,965,315	20,243,702,922
	Receivable against damaged items during warranty period	55,990,215	85,128,234
	Due from associated companies / undertakings (Note 23.2)	13,049,949,243	12,547,030,837
	Others (Note 23.3)	976,411,712	1,374,093,955
		34,205,316,485	34,249,955,948
23.1	**Duties, charges and taxes**		
	Receivables not yet realized:		
	Income tax	1,486,934,677	1,597,101,911
	Tariff rationalization surcharge (Note 23.1.2)	50,636,744	52,478,112
	Financing cost surcharge (Note 23.1.3)	8,148,304,143	7,595,976,004
	Electricity duty	582,378,692	613,067,360
	Equalization surcharge	1,436,868	1,404,576
	Extra / Further sales tax	1,330,569,688	1,525,321,106
	PTV license fee	104,867,621	96,419,034
	Neelum Jhelum surcharge	446,273,849	448,059,048
		12,151,402,282	11,929,827,151
	Payables not yet realized:		
	Income tax	1,486,934,677	1,597,101,911
	Tariff rationalization surcharge	50,636,744	52,478,112
	Financing cost surcharge	8,148,304,144	7,595,976,004
	Electricity duty	582,378,692	613,067,360
	Equalization surcharge	1,436,867	1,404,576
	Extra / Further sales tax	1,330,569,688	1,525,321,106
	PTV license fee	104,867,621	96,419,034
	Neelum Jhelum surcharge	446,273,849	448,059,048
		12,151,402,282	11,929,827,151
		-	-

23.1.1 These represent the amounts billed to the customers on behalf of the respective authorities and are receivable at year end which have been netted off against their respective payables.

23.1.2 This represents Tariff Rationalization Surcharge receivable from the consumers pursuant to S.R.O. 568(I)/2015, dated 10 June 2015 issued by the Power Division, Ministry of Energy, GoP. The amount of surcharge is to be kept in escrow account of CPPA-G for discharging of determined cost of power producers by the CPPA-G. During the financial year ended 30 June 2018, GoP revised the tariff rationalization surcharge rates for categories of electricity consumers of the Company.

23.1.3 This represents Financing Cost Surcharge receivable from the consumers pursuant to S.R.O. 03(I)/2019, dated 01 January 2019 issued by the Power Division, Ministry of Energy, GoP. The amount of surcharge is to be kept in escrow account of CPPA-G for exclusive use of discharging the financing cost of various loans obtained to discharge liabilities of power producers against the sovereign guarantees of the GoP.

		2025 RUPEES	2024 RUPEES
23.2	**Due from associated companies / undertakings**		
	Due on account of free electricity (Note 23.2.1)	1,460,363,495	1,580,064,420
	Due on account of pension (Note 23.2.2)	3,504,036,998	4,097,471,561
	Due on account of WAPDA welfare fund	460,253,259	481,518,020
	Due from NGC on account of use of system charges	318,761,688	180,868,098
	Due from NGC on account of general sales tax on use of system charge	556,259,815	-
	Due on account of past service cost of GENCOs employees (Note 23.2.3)	-	889,298,591
	Due on account of past service cost of WAPDA employees (Note 23.2.4)	5,317,810,142	5,317,810,147
	Due on account of NJ Surcharge of Neelum Jhelum Hydro-power Company (Private) Limited (Note 12.2.2)	1,422,463,846	-
	Due on account of security deposit from NEPRA against ongoing dispute	10,000,000	-
		13,049,949,243	12,547,030,837
23.2.1	**Due from associated companies on account of free electricity**		
	Water and Power Development Authority (WAPDA)	298,488,107	257,679,151
	National Grid Company of Pakistan Limited (NGC)	157,584,243	195,214,975
	Islamabad Electric Supply Company Limited (IESCO)	16,731,617	213,313,531
	Peshawar Electric Supply Company Limited (PESCO)	105,398	-
	Gujranwala Electric Power Company Limited (GEPCO)	13,385,993	55,857,057
	Quetta Electric Supply Company Limited (QESCO)	7,459,679	36,574,752
	Hyderabad Electric Supply Company Limited (HESCO)	8,484,244	11,955,819
	Tribal Areas Electric Supply Company Limited (TESCO)	802,438	2,337,832
	Sukkur Electric Power Company Limited (SEPCO)	510,630	-
	Multan Electric Power Company Limited (MEPCO)	13,099,873	75,893,998
	Lahore Electric Supply Company Limited (LESCO)	28,952,599	-
	Jamshoro Power Company Limited (GENCO-I)	2,379,949	1,844,493
	Central Power Generation Company Limited (GENCO-II)	79,766,443	31,245,178
	Northern Power Generation Company Limited (GENCO-III)	820,030,226	693,918,290
	Lakhra Power Generation Company Limited (GENCO-IV)	2,461,919	2,399,805
	Power Planning and Monitoring Company (PPMC)	1,806,405	1,829,539
	Neelum Jhelum Hydro-power Company (Private) Limited (NJHPC)	8,313,732	-
		1,460,363,495	1,580,064,420
23.2.2	**Due from associated companies / undertakings on account of pension**		
	Water and Power Development Authority (WAPDA) (Note 23.2.2.1)	2,925,412,829	2,925,412,829
	National Grid Company of Pakistan Limited (NGC)	125,688,262	567,629,319
	Islamabad Electric Supply Company Limited (IESCO)	47,333,150	77,581,198
	Gujranwala Electric Power Company Limited (GEPCO)	44,952,433	80,021,771
	Quetta Electric Supply Company Limited (QESCO)	18,795,549	44,206,091
	Hyderabad Electric Supply Company Limited (HESCO)	-	33,642,642
	Tribal Areas Electric Supply Company Limited (TESCO)	367,180	359,815
	Sukkur Electric Power Company Limited (SEPCO)	12,344,761	47,156,085
	Multan Electric Power Company Limited (MEPCO)	124,909,952	193,788,658
	Lahore Electric Supply Company Limited (LESCO)	11,389,188	-
	Jamshoro Power Company Limited (GENCO-I)	2,653,690	1,238,140
	Central Power Generation Company Limited (GENCO-II)	24,741,611	19,991,730
	Northern Power Generation Company Limited (GENCO-III)	165,448,393	106,443,283
		3,504,036,998	4,097,471,561

23.2.2.1 This includes receivable from WAPDA amounting to Rupees 1,100 million (2024: Rupees 1,100 million) on account of monthly pension payments to retired WAPDA employees who retired on or before 30 June 1998 (ex-WAPDA pensioners). The settlement of the receivable has been contested between the Company and WAPDA. The Power Division, Ministry of Energy, GoP referred the matter to NEPRA. NEPRA in its tariff determination dated 10 March 2015 has decided that above amount is receivable from the WAPDA.

23.2.3	**Due from associated companies on account of past service cost**		
	Jamshoro Power Company Limited (GENCO-I)	-	49,068,192
	Central Power Generation Company Limited (GENCO-II)	-	232,027,525
	Northern Power Generation Company Limited (GENCO-III)	-	581,548,073
	Lakhra Power Generation Company Limited (GENCO-IV)	-	26,654,801
		-	889,298,591

23.2.3.1 This represented the balance receivable from GENCOs on account of the past service cost of certain employees related to GENCOs before October 2021 transferred to the Company. The balance has been charged to salaries, wages and other benefits during the year on direction from NEPRA.

23.2.4 This represents the balance receivable from WAPDA on account of the past service cost relating to years 2015 and 2016 related to employees of WAPDA retired before July 1998.

23.2.5 The ageing analysis of amounts due from associated companies / undertakings is as follows:

	2025 RUPEES	2024 RUPEES
Upto 6 months	2,894,427,736	752,873,138
6 months to 1 year	513,796,053	1,548,107,013
1 year to 3 years	372,769,241	861,738,484
3 years and above	9,268,956,213	9,384,312,202
	13,049,949,243	12,547,030,837

23.2.6 The maximum aggregate amount due from National Grid Company of Pakistan Limited (NGC) with respect to balances mentioned in Note 23.2.1 and Note 23.2.2, due on account of use of system charges and due on account of general sales tax at the end of any month during the year was Rupees 1,458.920 million (2024: Rupees 3,474.113 million).

23.2.7 The maximum aggregate amount due from Islamabad Electric Supply Company Limited (IESCO) with respect to balances mentioned in Note 23.2.1 and Note 23.2.2, at the end of any month during the year was Rupees 333.899 million (2024: Rupees 407.537 million).

23.2.8 The maximum aggregate amount due from Peshawar Electric Supply Company Limited (PESCO) with respect to balance mentioned in Note 23.2.1, at the end of any month during the year was Rupees 1.325 million (2024: Rupees 8.626 million).

23.2.9 The maximum aggregate amount due from Gujranwala Electric Power Company Limited (GEPCO) with respect to balances mentioned in Note 23.2.1 and Note 23.2.2, at the end of any month during the year was Rupees 166.25 million (2024: Rupees 137.129 million).

23.2.10 The maximum aggregate amount due from Lahore Electric Supply Company Limited (LESCO) with respect to balances mentioned in Note 23.2.1 and Note 23.2.2, at the end of any month during the year was Rupees 64.153 million (2024: Rupees Nil).

23.2.11 The maximum aggregate amount due from Quetta Electric Supply Company Limited (QESCO) with respect to balances mentioned in Note 23.2.1 and Note 23.2.2, at the end of any month during the year was Rupees 87.482 million (2024: Rupees 85.576 million).

23.2.12 The maximum aggregate amount due from Hyderabad Electric Supply Company Limited (HESCO) with respect to balance mentioned in Note 23.2.1, at the end of any month during the year was Rupees 45.181 million (2024: Rupees 45.598 million).

23.2.13 The maximum aggregate amount due from Tribal Areas Electric Supply Company Limited (TESCO) with respect to balances mentioned in Note 23.2.1 and Note 23.2.2, at the end of any month during the year was Rupees 3.227 million (2024: Rupees 2.698 million).

23.2.14 The maximum aggregate amount due from Northern Power Generation Company Limited (GENCO-III) with respect to balances mentioned in Note 23.2.1, Note 23.2.2 and Note 23.2.3 at the end of any month during the year was Rupees 1,041.381 million (2024: Rupees 1,435.465 million).

23.2.15 The maximum aggregate amount due from Central Power Generation Company Limited (GENCO-II) with respect to balances mentioned in Note 23.2.1, Note 23.2.2 and Note 23.2.3 at the end of any month during the year was Rupees 104.508 million (2024: Rupees 283.264 million).

23.2.16 The maximum aggregate amount due from Lakhra Power Generation Company Limited (GENCO-IV) with respect to balances mentioned in Note 23.2.1 and Note 23.2.3 at the end of any month during the year was Rupees 2.462 million (2024: Rupees 29.055 million).

23.2.17 The maximum aggregate amount due from Jamshoro Power Company Limited (GENCO-I) with respect to balances mentioned in Note 23.2.1, Note 23.2.2 and Note 23.2.3 at the end of any month during the year was Rupees 5.034 million (2024: Rupees 52.611 million).

23.2.18 The maximum aggregate amount due from Sukkur Electric Power Company Limited (SEPCO) with respect to balances mentioned in Note 23.2.1 and Note 23.2.2, at the end of any month during the year was Rupees 16.556 million (2024: Rupees 42.343 million).

23.2.19 The maximum aggregate amount due from Multan Electric Power Company Limited (MEPCO) with respect to balances mentioned in Note 23.2.1 and Note 23.2.2, at the end of any month during the year was Rupees 355.262 million (2024: Rupees 286.785 million).

23.2.20 The maximum aggregate amount due from Water and Power Development Authority (WAPDA) with respect to balance mentioned in Note 23.2.1, Note 23.2.2 and Note 23.2.4, at the end of any month during the year was Rupees 8,541.711 million (2024: Rupees 8,500.902 million).

23.2.21 The maximum aggregate amount due from Power Planning and Monitoring Company (PPMC) with respect to balance mentioned in Note 23.2.1, at the end of any month during the year was Rupees 1.842 million (2024: Rupees 2.284 million).

23.2.22 The maximum aggregate amount due from Neelum Jhelum Hydro-power Company (Private) Limited (NJHPC) with respect to Neelum Jhelum Surcharge and of balance mentioned in Note 23.2.1, at the end of any month during the year was Rupees 1,430.778 million (2024: Rupees Nil).

23.2.23 The maximum aggregate amount due from Water and Power Development Authority (WAPDA) welfare fund at the end of any month during the year was Rupees 460.253 million (2024: Rupees 481.518 million).

23.2.24 The maximum aggregate amount due from NEPRA at the end of any month during the year was Rupees 10 million (2024: Rupees Nil).

23.3 These include an amount of Rupees 13.363 million (2024: Rupees 11.812 million) receivable from employees against shortage and theft.

		2025 RUPEES	2024 RUPEES
24.	**RECEIVABLE FROM GOVERNMENT OF PAKISTAN**		
	Balance as at 01 July	14,856,290,760	17,667,313,520
	Tariff differential and other subsidies recognized during the year (Note 24.1)	79,489,966,552	26,248,959,848
	Adjusted against tariff rationalization surcharge and credit notes received from CPPA-G	(69,184,571,525)	(29,059,982,608)
	Balance as at 30 June	25,161,685,787	14,856,290,760

24.1 These represent the tariff subsidies claimed from the Government of Pakistan as the difference between rates determined by NEPRA and rates charged to the consumers as notified by the Government of Pakistan from time to time.

25. SHORT TERM INVESTMENTS

Term deposit receipts (Note 25.1 and Note 25.2)	15,000,000,000	-

25.1 These represent term deposits receipts issued by Allied Bank Limited, United Bank Limited and The Bank of Punjab with maturity period of 1 year. These investments are carried at amortized cost. Effective rate of profit ranged from 11.10 percent to 11.91 percent (2024: Nil) per annum.

25.2 Term deposit receipts include an amount of Rupees 13,900 million (2024: Rupees Nil) relating to customers' security deposits.

26. CASH AND BANK BALANCES

Cash in transit (Note 26.1)	388,761,266	581,455,001
Cash with banks on:		
Current accounts	334,118,471	2,096,037,314
Deposit accounts (Note 26.2 and Note 26.3)	4,748,045,029	2,573,647,213
Term Deposit Receipts (Note 26.4 and Note 26.5)	5,500,000,000	17,500,000,000
	10,582,163,500	22,169,684,527
	10,970,924,766	22,751,139,528

26.1 This represents cash transmitted by National Database and Registration Authority (NADRA) against collection of consumer bills but not received by the Company at reporting date.

26.2 These carry profit ranging from 9.50 percent to 19.32 percent (2024: 19.25 percent to 21.50 percent) per annum.

26.3 These include an amount of Rupees 160.576 million (2024: Rupees 61.054 million) kept in separate bank accounts relating to customers' security deposits.

26.4 These represent term deposits receipts placed with Soneri Bank Limited and Faysal Bank Limited having maturity of one and three months (2024: three months) at profit rates ranged from 10.95 percent to 20.00 percent (2024: 20.30 percent to 22.00 percent) per annum.

26.5 Term deposit receipts include an amount of Rupees 400 million (2024: Rupees 13,125 million) relating to customers' security deposits.

27. SALE OF ELECTRICITY - NET

Gross sales	487,960,501,421	536,704,318,748
Less: Sales tax	97,330,276,822	101,929,435,515
	390,630,224,599	434,774,883,233

27.1 Electricity sales include Rupees 13,774.173 million (2024: Rupees 15,828.933 million) on account of electricity bills for the month of June 2024 billed to consumers in July 2025.

27.2 During the year, the Company sold 14 437.595 million (2024: 14 190.948 million) KWH electricity units to the consumers in different tariff categories.

27.3 Revenue is recognized at point in time when the electricity units are consumed by the customers.

28. TARIFF DIFFERENTIAL SUBSIDIES

These represent the tariff subsidies claimed from the Government of Pakistan as the difference between rates determined by NEPRA and rates charged to the consumers as notified by the Government of Pakistan from time to time.

29. COST OF ELECTRICITY

29.1 The Company purchased electricity from CPPA-G. The electricity purchased during the year has been accounted for according to invoices issued by CPPA-G and adjusted in accordance with monthly fuel price adjustment determined and notified by NEPRA. The average rate for the year was Rupees 25.93 per KWH (2024: Rupees 27.16 per KWH).

29.2 This includes supplemental charges of Rupees 17,348.725 million (2024: Rupees 5,729.197 million) passed on the Company, which comprise re-allocation of mark-up on late payments imposed by Independent Power Producers (IPPs) to CPPA-G on the basis of average outstanding balance.

30. DISTRIBUTION COST

	2025 RUPEES	2024 RUPEES
Salaries, wages and other benefits (Note 30.1)	28,724,696,478	27,362,455,523
Depreciation (Note 16.1.8)	6,495,668,044	5,428,189,408
Repair and maintenance	1,293,954,471	649,373,395
Rent, rates and taxes (Note 30.2)	32,352,021	30,832,398
Telephone and postage	26,874,286	24,469,363
Power, light and water	104,389,454	78,499,906
Office supplies and other expenses	32,689,664	30,619,713
Travelling and conveyance	418,406,140	410,623,531
Legal and professional	22,276,124	23,330,728
Transportation	697,426,149	683,006,776
Workers' profit participation fund	3,525,005,490	276,803,780
Property, plant and equipment written off - net of adjustment of deferred credit	3,419,338,912	-
Provision for slow moving and obsolete stores, spares and loose tools (Note 20.1)	1,965,926	-
Other charges / expenses	39,196,930	123,040,155
	44,834,240,089	35,121,244,676
Less: Charged to capital work-in-progress (Note 16.2.4)	(1,775,921,069)	(1,382,390,234)
	43,058,319,020	33,738,854,442

30.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 16,275.816 million (2024: Rupees 16,774.327 million).

30.2 These include Rupees 32.310 million (2024: Rupees 30.736 million) in respect of short term leases.

31. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits (Note 31.1)	4,868,764,148	4,436,557,094
Directors' meeting fee	39,558,997	57,942,986
Depreciation (Note 16.1.8)	177,830,327	146,559,316
Amortization (Note 17)	469,140	469,140
Repair and maintenance	167,756,554	121,465,534
Rent, rates and taxes (Note 31.2)	723,450	724,015
Power, light and water	100,086,066	86,031,321
Office supplies and other expenses	280,765,347	318,820,400
Travelling and conveyance	123,257,439	109,103,635
Legal and professional	196,520,005	295,366,881
Auditor's remuneration (Note 31.3)	3,125,833	2,283,333
Transportation	167,097,093	172,898,764
Management fees	200,165,715	136,405,482
Telephone and postage	10,676,284	20,346,894
Insurance	3,562,574	3,183,248
Advertisement	17,570,098	17,178,873
Workers' profit participation fund	496,826,440	38,537,489
Other charges	14,039,340	20,375,684
	6,868,794,850	5,984,250,089

31.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 2,293.970 million (2024: Rupees 2,335.374 million).

31.2 These include Rupees 0.718 million (2024: Rupees 0.684 million) in respect of short term leases.

		2025 RUPEES	2024 RUPEES
31.3	**Auditor's remuneration**		
	Audit fee	2,242,500	1,950,000
	Other certifications fee	500,000	-
	Reimbursable expenses	383,333	333,333
		3,125,833	2,283,333
32.	**CUSTOMER SERVICES COSTS**		
	Salaries, wages and other benefits (Note 32.1)	3,906,455,567	3,575,551,448
	Depreciation (Note 16.1.8)	3,402,264	2,152,988
	Electricity bills collection charges	424,311,405	410,967,628
	Travelling and conveyance	40,234,169	38,589,646
	Repair and maintenance	1,948,128	1,363,357
	Rent, rates and taxes (Note 32.2)	3,020,295	2,453,540
	Telephone and postage	3,722,391	3,278,723
	Power, light and water	13,183,916	10,603,649
	Office supplies and other expenses	14,215,584	12,966,313
	Transportation	5,959,908	5,852,836
	Allowance for expected credit losses (Note 21.2)	2,350,680,439	599,265,266
	Workers' profit participation fund	246,262,938	20,389,653
	Other charges	935,946	730,239
		7,014,332,950	4,684,165,286

32.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 1,137.056 million (2024: Rupees 1,235.614 million).

32.2 These represent Rupees 3.020 million (2024: Rupees 2.454 million) in respect of short term leases.

33.	**OTHER INCOME**		
	Income from financial assets		
	Profit on bank deposits and term deposit receipts	3,534,700,081	5,118,178,256
	Late payment surcharge	5,895,367,961	5,729,196,621
		9,430,068,042	10,847,374,877
	Income from non-financial assets		
	Gain on installation of new connection	1,389,687,506	733,333,557
	Repair, testing and inspection fee	44,800,304	52,978,806
	Recovery of late delivery charges	167,936,113	257,312,380
	Reversal of provision of slow moving, obsolete items of stores, spares and loose tools	-	794,442
	Meter / service rent	55,905,128	55,158,068
	Reconnection fees	119,897,949	86,869,371
	Excess deposit work receipts / credit balances written back	323,720,286	81,517,098
	Service charges on collection of PTV license fee and electricity duty	186,324,404	194,851,784
	Company's colonies quarter rent	21,073,474	10,043,020
	Reversal of impairment loss	-	138,548,206
	Miscellaneous	188,525,231	308,663,754
		2,497,870,395	1,920,070,486
		11,927,938,437	12,767,445,363
34.	**FINANCE COST**		
	Mark-up on long term financing - net (Note 34.1)	(1,244,065,759)	879,586,866
	Interest on workers' profit participation fund (Note 12.3)	6,231,077,144	-
	Bank charges and commission	2,274,363	2,709,358
		4,989,285,748	882,296,224

34.1 As explained in Note 6.5 Rupees 1,699.105 million have been adjusted in the figure of mark-up on long term financing.

35.	**LEVY**		
	Current:		
	Current - for the year (Note 35.1)	5,883,385,548	5,677,787,261
	- for prior year	4,927,125,713	-
		10,810,511,261	5,677,787,261

35.1 Levy represents minimum tax on turnover and other income under relevant provisions of the Income Tax Ordinance, 2001.

36	**TAXATION**		
	Current:		
	- for the year (Note 36.1 and Note 14)	1,540,729,741	2,329,981
	- for prior year	(2,329,981)	(2,003,279)
		1,538,399,760	326,702
	Deferred (Note 11)	(1,052,653,652)	(297,517,972)
		485,746,108	(297,191,270)

36.1 Provision for current taxation represents tax on taxable income and other income under relevant provisions of the Income Tax Ordinance, 2001.

36.2 Tax losses available for carry forward as at 30 June 2025 are of Rupees 272,545.441 million (2024: Rupees 340,928.482 million). The tax losses related to unabsorbed tax depreciation are of Rupees 83,037.069 million and business losses are of Rupees 189,508.372 million. Total minimum tax available for carry forward under section 113 and other provisions of the Income Tax Ordinance, 2001 as at 30 June 2025 is of Rupees 18,522.378 million. Reconciliation of levy and tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented in view of unused tax losses of the Company. The Company has not recognized deferred income tax asset in respect of above losses and minimum tax available for carry forward as sufficient taxable profits would not be available to utilize these in the foreseeable future and would expire as follows:

Accounting year to which the unused tax losses relates	Amount of unused tax losses	Accounting year in which unused tax losses will expire
	RUPEES	
2023	52,897,911,364	2029
2022	54,676,880,923	2028
2021	34,306,907,236	2027
2020	47,626,672,008	2026
	189,508,371,531	

Accounting year to which the minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	RUPEES	
2025	5,883,385,548	2028
2024	5,856,546,557	2027
2023	4,143,741,319	2026
2021	2,638,704,514	2026
	18,522,377,938	

37. CASH GENERATED FROM OPERATIONS

	2025 RUPEES	2024 RUPEES
Profit before taxation and levy	20,729,171,941	6,378,887,525
Adjustments for non-cash charges and other items:		
Depreciation	6,676,900,635	5,576,901,712
Amortization of intangible assets (Note 17)	469,140	469,140
Reversal of impairment loss	-	(138,548,206)
Provision for staff retirement benefits (Note 7.5)	18,817,543,530	20,345,315,698
Amortization of deferred credit (Note 10)	(2,779,995,085)	(2,465,354,289)
Adjustment of deferred credit (Note 10)	(4,559,231,708)	-
Finance cost (Note 34)	4,989,285,748	882,296,224
Allowance for expected credit losses (Note 21.2)	2,350,680,439	599,265,266
Profit on bank deposits and term deposit receipts (Note 33)	(3,534,700,081)	(5,118,178,256)
Excess deposit work receipts written back / credit balances written back (Note 33)	(323,720,286)	(81,517,098)
Property, plant and equipment written off - net of adjustment of deferred credit	7,978,570,620	-
Provision / (reversal of provision) of slow moving, obsolete items of stores, spares and loose tools (Note 20.1)	1,965,931	(794,442)
Non-cash settlement against deposit for shares (Note 4.1)	11,451,700,637	4,097,964,454
Provision for workers' profit participation fund (Note 12.3)	4,268,094,868	335,730,922
Working capital changes (Note 37.1)	(20,199,948,032)	(3,582,449,083)
	45,866,788,297	26,829,989,567

37.1 Working capital changes

(Increase) / decrease in current assets:		
Stores, spares and loose tools	(728,430,597)	(1,619,268,126)
Trade debts	6,311,505,727	(8,235,520,974)
Loans and advances	41,354,215	38,528,206
Receivable from Government of Pakistan	(10,305,395,027)	2,811,022,760
Other receivables	44,639,463	(3,162,810,445)
Sales tax receivable	298,274,847	(209,506,260)
	(4,338,051,372)	(10,377,554,839)
(Decrease) / increase in trade and other payables	(15,861,896,660)	6,795,105,756
	(20,199,948,032)	(3,582,449,083)

37.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2025		
	Long term financing	Long term security deposits	Receipt against deposit works and deferred credit
	RUPEES		
Balance as at 01 July 2024	5,541,279,779	12,946,895,095	65,667,495,894
Security deposits - net	-	1,345,374,266	-
Receipts against deposit work - net	-	-	7,966,254,123
Amortization of deferred credit	-	-	(2,779,995,085)
Adjustment to deferred credit (Note 10.1)	-	-	(4,559,231,708)
Balance as at 30 June 2025	5,541,279,779	14,292,269,361	66,294,523,224

	2024		
	Long term financing	Long term security deposits	Receipt against deposit works and deferred credit
	RUPEES		
Balance as at 01 July 2023	5,541,279,779	11,915,862,061	61,110,225,193
Security deposits - net	-	1,031,033,034	-
Receipts against deposit work - net	-	-	7,022,624,990
Amortization of deferred credit	-	-	(2,465,354,289)
Balance as at 30 June 2024	5,541,279,779	12,946,895,095	65,667,495,894

38. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise Government of Pakistan, associated companies / undertakings, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties at mutually agreed terms and conditions. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of related party	Nature of transactions	2025 RUPEES	2024 RUPEES
Government of Pakistan			
Economic Affairs Division	Finance cost	(1,244,065,759)	879,586,866
Ministry of Finance	Subsidies from GoP accrued	79,489,966,552	26,248,959,848
	Non-cash adjustment of deposit for shares	(11,451,700,637)	(4,097,964,454)
Associated companies / undertakings			
National Electric Power Regulatory Authority	Fee paid to NEPRA	154,956,924	136,405,482
	Security deposit paid against ongoing dispute	10,000,000	-
National Grid Company of Pakistan	Use of system charges	20,722,451,913	22,051,933,506
	Settlement against use of system charges	137,893,594	3,618,171,044
	Free supply of electricity provided to employees of associated company	157,162,368	129,977,822
	Pension paid to employees of associated company	513,353,669	465,337,253
Central Power Purchasing Agency (Guarantee) Limited	Purchase of electricity	402,168,220,164	424,588,189,167
	Financing cost surcharge	36,703,343,081	33,114,176,089
Northern Power Generation Company Limited	Free supply of electricity provided to employees of associated company	126,111,936	119,902,699
	Pension paid to employees of associated company	489,206,473	413,067,474
Water and Power Development Authority	Free supply of electricity provided to employees of associated company	223,624,769	205,966,591
Islamabad Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	51,535,366	28,553,919
	Free supply of electricity received by employees of the Company from associated company	35,059,651	12,571,853
	Pension paid to employees of associated company	159,260,912	131,443,566
	Pension received by employees of the Company from associated company	55,208,809	50,431,463
	Sale of material	42,033,000	24,500,000
	Purchase of material	42,033,000	24,500,000
Peshawar Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	5,130,776	101,092,473
	Free supply of electricity received by employees of the Company from associated company	6,508,006	186,729,694
	Pension paid to employees of associated company	19,575,846	18,456,793
	Pension received by employees of the Company from associated company	68,289,347	66,246,528
	Sale of material	3,150,000	-

Name of related party	Nature of transactions	2025 RUPEES	2024 RUPEES
Gujranwala Electric Power Company Limited	Free supply of electricity provided to employees of associated company	24,812,303	19,173,776
	Free supply of electricity received by employees of the Company from associated company	15,377,814	6,915,101
	Pension paid to employees of associated company	83,809,668	71,928,638
	Pension received by employees of the Company from associated company	44,999,524	39,867,329
	Sale of material	103,800,000	800,000
	Purchase of material	103,800,000	120,831,000
Quetta Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	7,844,777	6,896,115
	Free supply of electricity received by employees of the Company from associated company	435,605	760,823
	Pension paid to employees of associated company	42,093,817	32,867,299
	Pension received by employees of the Company from associated company	5,222,921	3,944,332
	Sale of material	9,123,600	100,812,000
	Purchase of material	9,123,600	106,134,000
Central Power Generation Company Limited	Free supply of electricity provided to employees of associated company	48,521,265	17,464,562
	Pension paid to employees of associated company	36,203,503	25,671,823
Hyderabad Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	9,313,972	11,497,483
	Free supply of electricity received by employees of the Company from associated company	12,738,842	1,138,662
	Pension paid to employees of associated company	25,742,432	19,074,299
	Pension received by employees of the Company from associated company	8,059,626	1,300,322
	Sale of material	-	24,455,620
	Purchase of material	-	53,660,000
Lakhra Power Generation Company Limited	Free supply of electricity provided to employees of associated company	62,114	94,122
Tribal Areas Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	802,438	595,754
	Pension paid to employees of associated company	596,608	215,867
Jamshoro Power Company Limited	Free supply of electricity provided to employees of associated company	535,456	341,365
	Pension paid to employees of associated company	4,609,051	3,982,635
Sukkur Electric Power Company Limited	Free supply of electricity provided to employees of associated company	1,070,856	923,262
	Free supply of electricity received by employees of the Company from associated company	1,494,009	2,324,130
	Pension paid to employees of associated company	12,069,402	11,725,639

Name of related party	Nature of transactions	2025 RUPEES	2024 RUPEES
Lahore Electric Supply Company Limited	Free supply of electricity provided to employees of associated company	74,557,313	66,351,676
	Free supply of electricity received by employees of the Company from associated company	56,080,340	45,608,233
	Pension paid to employees of associated company	142,266,115	118,519,182
	Pension received by employees of the Company from associated companies	140,876,927	151,233,794
	Sale of material	46,500,000	-
	Purchase of material	46,500,000	-
Multan Electric Power Company Limited	Free supply of electricity provided to employees of associated company	38,031,146	37,588,091
	Free supply of electricity received by employees of the Company from associated company	24,448,632	20,380,350
	Pension paid to employees of associated company	222,367,992	185,095,678
	Pension received by employees of the Company from associated company	42,956,520	32,252,778
	Sale of material	51,301,000	71,180,500
	Purchase of material	97,801,000	71,180,500
Neelum Jhelum Hydro-power Company (Private) Limited	Free supply of electricity provided to employees of associated company	8,313,732	-
Power Planning and Monitoring Company (Private) Limited (PPMC)	Management fee	45,208,791	-
Power Information Technology Company (Private) Limited	Consultancy fee and software license fee	129,399,203	140,027,682
	Free supply of electricity provided to employees of associated company	118,380	125,946
Other related parties			
FESCO Employees Pension Fund Trust	Contribution Paid	11,500,000,000	6,076,000,000

38.1 The Company and the above mentioned companies / undertakings are under common control of GoP with the Ministry of Water and Power. While Government of Pakistan is the sovereign authority over all these companies / undertakings.

38.2 Detail of compensation to key management personnel comprising of Chief Executive officer, directors and executives is disclosed in Note 39.

39. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits to the Chief Executive Officer, directors and executives of the Company is as follows:

	2025	2024	2025	2024
	Chief Executive Officer		Executives	
	RUPEES			
Basic salary	2,560,950	2,577,039	382,923,264	360,039,264
Conveyance allowance & transport subsidy	300,000	268,790	14,668,008	13,176,000
Honorarium / bonus	216,200	-	-	-
Utilities and other benefits	5,144,730	5,868,323	464,540,999	550,033,504
Travelling and daily allowance	2,234,840	1,148,940	65,743,115	66,450,550
	10,456,720	9,863,092	927,875,386	989,699,318
Number of persons	1	1	218	209

39.1 The Chief Executive Officer is provided with the Company's maintained vehicles, free electricity and other utilities. Further, most of the executives of the Company have been provided with the Company's maintained vehicles and unfurnished accommodation according to the Company's policy, while free electricity has been provided to all executives.

39.2 Aggregate amount charged in the financial statements for meeting fee to 09 (2024: 13) directors including Chief Executive Officer was Rupees 39.559 million (2024: Rupees 57.943 million).

39.3 No remuneration other than meeting fee was paid to any Director of the Company.

40. NUMBER OF EMPLOYEES

	2025	2024
Number of employees as on 30 June	12 922	13 310
Average number of employees during the year	13 116	13 214

41. ENTITY - WIDE INFORMATION

The Company's main revenue generation is from sale of electricity. The Company does not hold non-current assets in any foreign country. The Company revenue earned from large mix of customers.

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

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

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

(a) Market risk

Market risk is the risk that changes in market process, such as currency risk, interest rate risk and other price risk which affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions, or receivables and payables that exist due to transactions in foreign currencies. The Company has no receivable / payable balance in foreign currency as at 30 June 2025 (2024: Nil).

ii) Other price risk

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

iii) Interest rate risk

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

The Company's interest rate risk arises from long term financing, long term advances, bank balances in saving accounts and term deposit receipts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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

	2025 RUPEES	2024 RUPEES
Fixed rate instruments		
Financial assets		
Long term advances	262,015,972	225,710,737
Term deposit receipts	20,500,000,000	17,500,000,000
Financial liabilities		
Long term financing	5,541,279,779	5,541,279,779
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	4,748,045,029	2,573,647,213

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates, at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 45.106 million (2024: Rupees 24.450 million) higher / lower), mainly as a result of higher / lower interest income on floating rate financial instruments. This analysis is prepared assuming amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

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

Trade debts	69,910,996,545	76,115,806,764
Loans and advances	262,015,972	225,710,737
Accrued interest	833,481,279	777,893,915
Deposits	52,917,946	52,753,706
Other receivables	34,205,316,485	34,249,955,948
Short term investments	15,000,000,000	-
Bank balances	10,582,163,500	22,169,684,527
	130,846,891,727	133,591,805,597

To manage exposure to credit risk in respect of trade debts, management takes into account the long standing business relationships with these counterparties, and after giving due consideration to their strong financial standing, including obtaining security deposits from them, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, credit risk is minimal. The Company's electricity is sold to industrial, commercial and residential consumers and government organizations. Due to large number and diversity of its consumer base, concentration of credit risk with respect to trade debts is limited. Additionally other receivables mainly includes receivables from related parties (Government owned entities). Therefore, management has assessed that there is no impairment loss in respect of these balances and these are recoverable in full.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. Management uses actual historical credit loss experience, credit risk characteristics and past days due, adjusted for forward-looking factors specific to the debtors and the economic environment to determine expected credit loss allowance.

Based on the past experience and deliberations management has recognized expected credit losses in respect of trade debts as given in Note 21.3 to the financial statements.

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			2025	2024
	Short term	Long term	Agency	----------RUPEES----------	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	159,961,641	3,675,735,758
Sindh Bank Limited	A1+	AA-	VIS	36,209	29,492
The Bank of Khyber	A1	AA-	VIS	13,645	4,460
The Bank of Punjab	A1+	AA+	PACRA	7,763,881	3,577,452,106
First Women Bank Limited	A2	A-	PACRA	702	-
Zarai Taraqiati Bank Limited	A1+	AAA	VIS	11,246,832	32,952,678
Allied Bank Limited	A1+	AAA	PACRA	186,983,219	191,475,714
Askari Bank Limited	A1+	AA+	PACRA	3,252,174	576,978
Bank Alfalah Limited	A1+	AAA	PACRA	39,531,596	30,892,558
Faysal Bank Limited	A1+	AA	PACRA	4,003,043,604	3,504,187,648
Habib Bank Limited	A1+	AAA	VIS	186,801,118	153,338,605
JS Bank Limited	A1+	AA	PACRA	382,251	3,501,047,306
MCB Bank Limited	A1+	AAA	PACRA	123,553,229	533,593
Easypaisa Bank Limited (formerly Telenor Microfinance Bank Limited)	A1	A+	PACRA	65,478,367	81,460,629
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	17,395	17,395
United Bank Limited	A1+	AAA	VIS	169,035,141	122,553,539
Bank AL Habib Limited	A1+	AAA	PACRA	2,115,863,133	1,308,785,140
Samba Bank Limited	A1	AA	PACRA	15,817,460	11,672
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	126,882	117,663
Meezan Bank Limited	A1+	AAA	VIS	174,482	417,400
BankIslami Pakistan Limited	A1	AA-	PACRA	4,151	203,247
Soneri Bank Limited	A1+	AA-	PACRA	2,559,299,740	3,769,409,033
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	56,289	152,754
AlBaraka Bank (Pakistan) Limited	A1	AA-	VIS	210,589,706	575,079,990
Bank Makramah Limited	Suspended		VIS	63,438	41,385
The Punjab Provincial Co-operative Bank Limited	A2	BBB+	PACRA	53,829,184	54,369,907
Receivable from General Post Office (GPO)*	N/A	N/A	N/A	669,238,031	1,588,837,877
				10,582,163,500	22,169,684,527
Investments - Term deposit receipts					
Allied Bank Limited	A1+	AAA	PACRA	5,000,000,000	-
United Bank Limited	A1+	AAA	VIS	4,900,000,000	-
The Bank of Punjab	A1+	AA+	PACRA	5,100,000,000	-
				15,000,000,000	-
				25,582,163,500	22,169,684,527

* As Pakistan Post Office is not a bank, therefore no credit rating is available.

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

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach for managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. For this purpose financial support is available to the Company from Federal Government. Further, liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

Following are the contractual maturities of financial liabilities as at 30 June 2025:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-3 years	More than 3 years
	---RUPEES---					
Non-derivative financial liabilities:						
Long term financing	5,541,279,779	8,229,322,754	3,151,863,447	331,363,447	1,227,395,581	3,518,700,279
Long term security deposits	14,292,269,361	14,292,269,361	-	-	-	14,292,269,361
Trade and other payables	57,706,998,304	57,706,998,304	57,706,998,304	-	-	-
Accrued mark-up	4,867,028,928	4,867,028,928	4,867,028,928	-	-	-
	82,407,576,372	85,095,619,347	65,725,890,679	331,363,447	1,227,395,581	17,810,969,640

Following are the contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-3 years	More than 3 years
	---RUPEES---					
Non-derivative financial liabilities:						
Long term financing	5,541,279,779	8,684,361,714	2,914,758,052	350,975,088	1,305,842,146	4,112,786,428
Long term security deposits	12,946,895,095	12,946,895,095	-	-	-	12,946,895,095
Trade and other payables	94,188,328,276	94,188,328,276	94,188,328,276	-	-	-
Accrued mark-up	6,111,094,688	6,111,094,688	6,111,094,688	-	-	-
	118,787,597,838	121,930,679,773	103,214,181,016	350,975,088	1,305,842,146	17,059,681,523

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June. The rates of mark-up have been disclosed in Note 6 to these financial statements.

(d) Capital risk management

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

42.2 Financial instruments by categories

As at 30 June	2025 RUPEES	2024 RUPEES
	At amortized cost	
Assets as per statement of financial position		
Trade debts	69,910,996,545	76,115,806,764
Loans and advances	262,015,972	225,710,737
Accrued interest	833,481,279	777,893,915
Deposits	52,917,946	52,753,706
Other receivables	34,205,316,485	34,249,955,948
Short term investments	15,000,000,000	-
Cash and bank balances	10,970,924,766	22,751,139,528
	131,235,652,993	134,173,260,598
Liabilities as per statement of financial position		
Long term financing	5,541,279,779	5,541,279,779
Long term security deposits	14,292,269,361	12,946,895,095
Trade and other payables	57,706,998,304	94,188,328,276
Accrued mark-up	4,867,028,928	6,111,094,688
	82,407,576,372	118,787,597,838

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

	2025			2024		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
	RUPEES					
Assets as per statement of financial position						
Trade debts	69,910,996,545	-	69,910,996,545	76,115,806,764	-	76,115,806,764
Long term advances	227,080,509	-	227,080,509	195,615,972	-	195,615,972
Loans and advances	34,935,463	275,578,747	310,514,210	30,094,765	316,932,962	347,027,727
Accrued interest	833,481,279	-	833,481,279	777,893,915	-	777,893,915
Deposits	52,917,946	-	52,917,946	52,753,706	-	52,753,706
Other receivables	34,205,316,485	-	34,205,316,485	34,249,955,948	-	34,249,955,948
Short term investments	15,000,000,000	-	15,000,000,000	-	-	-
Cash and bank balances	10,970,924,766	-	10,970,924,766	22,751,139,528	-	22,751,139,528
	131,235,652,993	275,578,747	131,511,231,740	134,173,260,598	316,932,962	134,490,193,560

	2025			2024		
	Financial liabilities	Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position
	RUPEES					
Liabilities as per statement of financial position						
Long term financing	5,541,279,779	-	5,541,279,779	5,541,279,779	-	5,541,279,779
Long term security deposits	14,292,269,361	-	14,292,269,361	12,946,895,095	-	12,946,895,095
Trade and other payables	57,706,998,304	60,185,404,411	117,892,402,716	94,188,328,276	29,390,519,373	123,578,847,650
Accrued mark-up	4,867,028,928	-	4,867,028,928	6,111,094,688	-	6,111,094,688
	82,407,576,372	60,185,404,411	142,592,980,784	118,787,597,838	29,390,519,373	148,178,117,212

42.4 Offsetting financial assets and financial liabilities

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

43. RECOGNIZED FAIR VALUE MEASUREMENTS

Fair value hierarchy

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

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

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

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

44. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

As at 30 June 2025	Level 1	Level 2	Level 3	Total
		----------RUPEES----------		
Land - freehold	-	73,096,373,867	-	73,096,373,867
Buildings on freehold land	-	6,118,864,813	-	6,118,864,813
Feeders (up to 11 kv)	-	81,138,143,649	-	81,138,143,649
Grids and equipment	-	51,649,716,151	-	51,649,716,151
Total non-financial assets	-	212,003,098,480	-	212,003,098,480

As at 30 June 2024	Level 1	Level 2	Level 3	Total
		----------RUPEES----------		
Land - freehold	-	73,055,766,900	-	73,055,766,900
Buildings on freehold land	-	4,753,919,114	-	4,753,919,114
Feeders (up to 11 kv)	-	78,633,089,671	-	78,633,089,671
Grids and equipment	-	41,500,145,330	-	41,500,145,330
Total non-financial assets	-	197,942,921,015	-	197,942,921,015

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

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

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land, buildings thereon, feeders, grids and equipment. The best evidence of fair value of land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building. The best evidence of fair value of feeders, grids and equipment is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the value of new feeders, grids and equipment.

45. CORRESPONDING FIGURES

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

46. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 02 OCT 2025 by the Board of Directors of the Company.

47. GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR