KAPCO

1ST QUARTER

REPORT

September 30, 2025 (un-audited)

KOT ADDU POWER COMPANY LIMITED

Contents

Company Information

Board of Directors	Lt. General (Retd) Muhammad Saeed (Chairman) Mr. Shahab Qader Khan (Chief Executive) Mr. Aqeel Ahmed Nasir Mr. Hafiz Mohammad Yousaf Mr. Saad Iqbal Mr. Naveed Asghar Chaudhry Ms. Mahwish Humayun Khan Mr. Khawaja Khalil Shah Mr. Muhammad Arfan
Audit Committee	Mr. Hafiz Mohammad Yousaf (Chairman) Mr. Saad Iqbal Mr. Naveed Asghar Chaudhry Mr. Khawaja Khalil Shah Mr. Muhammad Arfan
HR Committee	Ms. Mahwish Humayun Khan (Chairperson) Mr. Aqeel Ahmed Nasir Mr. Hafiz Mohammad Yousaf Mr. Naveed Asghar Chaudhry Mr. Muhammad Arfan
Investment Committee	Mr. Naveed Asghar Chaudhry (Chairman) Mr. Aqeel Ahmed Nasir Mr. Hafiz Mohammad Yousaf Mr. Saad Iqbal Mr. Khawaja Khalil Shah
Special Committee	Mr. Muhammad Arfan (Chairman) Mr. Aqeel Ahmed Nasir Mr. Naveed Asghar Chaudhry Mr. Saad Iqbal
GM Finance / CFO	Mr. Muhammad Masood
Company Secretary / Head Legal Counsel	Mr. A. Anthony Rath
Head of Internal Audit	Mr. Sikandar Usmani
Auditors	A.F. Ferguson & Co. Chartered Accountants
Legal Advisor	Cornelius, Lane & Mufti
Bankers	Conventional Askari Bank Limited Bank Al-Habib Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited National Bank of Pakistan Standard Chartered Bank (Pakistan) Limited United Bank Limited Islamic AlBaraka Bank (Pakistan) Limited Askari Bank Limited-IBD Bank Alfalah Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Meezan Bank Limited National Bank of Pakistan-IBD The Bank of Punjab-IBD
Share Registrar	THK Associates (Private) Limited Plot No. 32-C, Jami Commercial Street 2, DHA. Phase-VII, Karachi 75500, Pakistan Tel: +92 (0)21 111 000 322, Fax: +92 (0)21 34168271
Registered Office	Office No. 309, 3rd Floor, Evacuee Trust Complex Agha Khan Road, F-5/1, Islamabad, Pakistan
Corporate Office	5 B/3, Gulberg III, Lahore 54660, Pakistan Tel: +92 (0)42 3577 2912-6, Fax: +92 (0)42 3577 2922
Power Project	Kot Addu Power Complex, Kot Addu District Muzaffargarh, Punjab, Pakistan Tel: +92 (0)66 230 1047-9 Fax: +92 (0)66 230 1025
Email	Info@kapco.com.pk
Website	www.kapco.com.pk

We present the Directors' Report together with the Financial Statements (un-audited) for the First Quarter Ended September 30, 2025.

Principle Activities of the Company

The principal activities of the Company are the ownership, operation and maintenance of the 1600 MW nameplate capacity multi fuel (gas /RLNG, furnace oil and high-speed diesel) fired Power Plant at Kot Addu, Punjab. The Company is also permitted under its Memorandum of Association to make investments in other businesses.

The Company is listed on the Pakistan Stock Exchange; and is a KSE 100 index company.

Operational Highlights

As previously informed, the Company entered into a Tripartite Power Purchase Agreement (TPPA) for 495 MW capacity with the Central Power Purchasing Agency (Guarantee) Limited (Power Purchaser) and the National Grid Company of Pakistan Limited on June 3, 2025; and the TPPA became effective for a period of three years effective from September 13, 2025 following the successful completion of capacity and heat rate tests.

The National Electric Power Regulatory Authority (NEPRA) vide determination dated September 23, 2025 approved the final generation tariff for 495 MW under the NEPRA Tariff (Standards and Procedure) Rules, 1998. The final generation tariff has been made subject to extension based on the approved Indicative Generation Capacity Expansion Plan/Power Acquisition Plan (IGCEP/PAP). As IGCEP is in the approval process, the TPPA has been suspended effective October 1, 2025. Aggrieved, the Company has filed a Review Motion before NEPRA to amend its order as the suspension of the TPPA seems to be based on a mistaken impression that the IGCEP 2022-2031 reflected ground realities at the time of the determination. Further, the Company has raised other grounds in support of its position before NEPRA. The Review Motion is pending before NEPRA. For detail kindly refer to Note 1 and 2.3 of the Financial Statements.

During the reporting period, the Company generated 151,163 MWh (203,868 MWh since the signing of TPPA) of electricity. Under the terms of the TPPA, for any generation prior to the effective date of the TPPA, the Power Purchaser is obligated to pay the fuel cost component and the Company has issued requisite invoices.

Financial Highlights

Turnover for the period is Rs. 4,156 Million (2024: Rs. Nil); with corresponding cost of sales of Rs. 4,987 Million (2024: Rs. Nil). Net profit for the period is Rs. 4.876 Million as compared to profit (2024: 1,162 Million) which gives earnings per share (EPS) of Rs. 0.01 of Rs. 10 each (2025: Rs. 1.32 per share). Income from the Company's Mutual Fund investments declined significantly, with annualized return for the quarter at 10.05% compared to 21.58% in the corresponding period.

As of September 30, 2025, the disputed receivables due from the Power Purchaser stood at Rs. 2,499 Million, which are backed by a GoP Guarantee.

The Company's investments in Mutual Funds are Rs. 38,635 Million (market value) on September 30, 2025, which are primarily held to meet working capital requirements and growth/diversification plans of the Company.

Diversification of Business

The Company continues to view investment opportunities for diversification of its portfolio. The Pakistan Water and Power Development Authority (WAPDA) being a major shareholder strongly supports the diversification plans.

The Company's joint bid with Fauji Foundation for acqiuiring 84.06% of the total paid-up capital of Attock Cement Pakistan Limited from Pharaon Investment Group Limited S.A.L is still pending.

Approval from NEPRA (based on the Report of Auction and Evaluation Committee of K-Electric) for the Company's bids for the proposed K-Electric solar projects to be set-up respectively at Deh Metha Ghar, Sindh (150 MW); and at Deh Halkani, District West, Karachi, (120 MW) (bid tariff respectively of 9.8319 PKR/kWh (3.4061 Cents/kWh at reference exchange rate for USD/PKR 288.65)) is still pending.

Compliance of Code of Corproate Governance

The Company has complied with the requirements of the Code of Corporate Governance in the following manner:

The total number of Directors are nine (9) as per the following detail:

(a) Male: Eight(8)
(b) Female: One(1)

The composition of the Board of Directors is as follows:

Category	Names
Independent Directors	• Mr. Hafiz Mohammad Yousaf • Ms. Mahwish Humayun Khan • Mr. Khawaja Khalil Shah
Executive Director	• Mr. Shahab Qader Khan (Chief Executive)
Non-Executive Directors	• Lt. General (Retd) Muhammad Saeed • Mr. Aqeel Ahmed Nasir • Mr. Saad Iqbal • Mr. Naveed Asghar Chaudhry • Mr. Muhammad Arfan

Committees of the Board of Directors:

Audit Committee	• Mr. Hafiz Mohammad Yousaf (Chairman) • Mr. Naveed Asghar Chaudhry • Mr. Muhammad Arfan	• Mr. Saad Iqbal • Mr. Khawaja Khalil Shah
HR Committee	• Ms. Mahwish Humayun Khan (Chairperson) • Mr. Hafiz Mohammad Yousaf • Mr. Muhammad Arfan	• Mr. Aqeel Ahmed Nasir • Mr. Naveed Asghar Chaudhry
Investment Committee	• Mr. Naveed Asghar Chaudhry (Chairman) • Mr. Hafiz Mohammad Yousaf • Mr. Khawaja Khalil Shah	• Mr. Aqeel Ahmed Nasir • Mr. Saad Iqbal
Special Committee (on Decommissioning of Power Plant and Fuel Disposal)	• Mr. Muhammad Arfan (Chairman) • Mr. Naveed Asghar Chaudhry	• Mr. Aqeel Ahmed Nasir • Mr. Saad Iqbal

On behalf of the Board

Shahab Qader Khan
Chief Executive Officer
Islamabad: October 23, 2025

Hafiz Mohammad Yousaf
Director

30 ستمبر 2025 کو ختم ہونے والی سہ ماہی کے لیے مالیاتی گوشواروں (غیر آڈٹ شدہ) کے ساتھ ڈائریکٹرز کی رپورٹ پیش خدمت ہے۔

کمپنی کی بنیادی سرگرمیاں

کمپنی کی بنیادی سرگرمیوں میں پنجاب کے شہر کوٹ ادو میں 1600 میگاواٹ صلاحیت کے حامل ملٹی فیول (گیس/آر ایل این جی، فرنس آئل اور ہائی سپیڈ ڈیزل) سے چلنے والے پاور پلانٹ کی ملکیت، آپریشن اور دیکھ بھال شامل ہیں۔ کمپنی کو اپنے میمورنڈم آف ایسوسی ایشن کے تحت دوسرے کاروباروں میں سرمایہ کاری کرنے کی اجازت ہے۔

کمپنی پاکستان سٹاک ایکسچینج میں درج ہے اور کے ایس ای 100 انڈیکس کمپنی ہے۔

آپریشنل جھلکیاں

جیسا کہ پہلے بھی بتایا جا چکا ہے، کمپنی نے 495 میگاواٹ صلاحیت کے لیے سہ فریقی پاور خریداری معاہدہ (TPPA) مرکزی پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ (پاور پرچیزر) اور نیشنل گرڈ کمپنی آف پاکستان لمیٹڈ کے ساتھ 3 جون 2025 کو کیا؛ اور اہلیت اور ہیٹ ریٹ ٹیسٹوں کی کامیاب تکمیل کے بعد یہ TPPA 13 ستمبر 2025 سے تین سال کی مدت کے لیے نافذ العمل ہو چکا ہے۔

نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی (NEPRA) نے 23 ستمبر 2025 کے اپنے فیصلے کے ذریعے 495 میگاواٹ کے لیے حتمی بجلی پیداوار ٹیرف کو NEPRA ٹیرف (معیارات اور طریقہ کار) قوانین 1998 کے تحت منظور کیا۔ حتمی پیداوار، ٹیرف منظور شدہ اشاراتی پیداواری صلاحیت میں توسیع کے منصوبے (PAP / IGCEP) کی بنیاد پر متعین کیا گیا ہے۔ چونکہ IGCEP ابھی منظوری کے مراحل میں ہے، اس لیے TPPA کو یکم اکتوبر 2025 سے معطل کر دیا گیا ہے۔ جس کے بعد کمپنی نے NEPRA کے سامنے نظرثانی کی درخواست دائر کی ہے کیونکہ TPPA کی معطلی بظاہر اس غلط تاثر پر مبنی ہے کہ IGCEP، 2022-2031 فیصلے کے وقت زمینی حقائق کی عکاسی کرتا تھا۔ مزید برآں، کمپنی نے NEPRA کے سامنے اپنی پوزیشن کے حق میں دیگر دلائل بھی پیش کیے ہیں۔ ریویو موشن NEPRA کے روبرو زیر التواء ہے۔ تفصیل کے لیے مالی بیانات کے نوٹ 1 اور 2.3 ملاحظہ فرمائیں۔

زیر جائزہ مدت کے دوران، کمپنی نے 151,163 میگاواٹ آور (اور TPPA کے دستخط ہونے سے اب تک 203,868 میگاواٹ آور) بجلی پیدا کی۔ TPPA کی شرائط کے تحت، TPPA کے مؤثر ہونے کی تاریخ سے قبل پیدا ہونے والی کسی بھی پیداوار کے لیے پاور پرچیزر ایندھن کی لاگت کے جزو کی ادائیگی کا پابند ہے اور کمپنی اس کے لیے ضروری انوائسز جاری کر چکی ہے۔

مالیاتی جھلکیاں

زیر جائزہ مدت کے دوران آمدن 4,156 ملین روپے رہی (2024: کوئی آمدن نہیں) جبکہ لاگتِ فروخت 4,987 ملین روپے رہی (2024: کوئی نہیں)۔ اس مدت کے لیے خالص منافع روپے 4.876 ملین رہا جو کہ گزشتہ سال (2024: 1,162 ملین روپے) ہے۔ 10 روپے کے فی حصص پر آمدن 0.01 روپے رہی، (2025: 1.32 روپے فی حصص)۔ کمپنی کی میوچل فنڈز میں سرمایہ کاری سے آمدنی میں نمایاں کمی واقع ہوئی ہے۔ زیر جائزہ سہ ماہی کے لیے سالانہ بنیادوں پر منافع کی شرح 10.05% رہی جو کہ گزشتہ مدت میں 21.58% تھی۔

30 ستمبر 2025 تک پاور پرچیزر سے قابل تصفیہ وصولیوں کی رقم 2,499 ملین روپے ہے، جس کے لیے حکومتِ پاکستان کی گارنٹی موجود ہے۔

کمپنی کی میوچل فنڈز میں سرمایہ کاری 30 ستمبر 2025 تک 38,635 ملین روپے (مارکیٹ ویلیو) ہے، جو بنیادی طور پر ورکنگ کیپیٹل کی ضروریات اور کمپنی کی ترقی/تنوع کے منصوبوں کے لیے رکھی گئی ہے۔

کاروبار میں تنوع

کمپنی اپنے پورٹ فولیو کو متنوع بنانے کے لیے سرمایہ کاری کے مختلف اختیارات کا جائزہ لے رہی ہے۔ پاکستان واٹر اینڈ پاور ڈویلپمنٹ اتھارٹی (واپڈا) ایک اہم شیئر ہولڈر ہونے کے ناطے کمپنی کے تنوع کے منصوبوں کی بھرپور حمایت کرتی ہے۔

کمپنی نے فوجی فاؤنڈیشن کے ساتھ مل کر Pharaon Investment Group Limited S.A.L (Seller) کو اٹک سیمنٹ پاکستان لمیٹڈ میں فروخت کنندہ کے پورے شیئر ہولڈنگ کی خریداری کے لئے پیشکش کی ہے جو اے سی پی ایل کے کل سرمائے کا 84.06 فیصد ہے۔ یہ پیشکش ابھی زیر التواء ہے۔

کمپنی کی جانب سے کے-الیکٹرک کے مجوزہ سولر منصوبوں کے لیے دی گئی بولیاں (جو کہ کے الیکٹرک کی آکشن اینڈ ایویلوایشن کمیٹی کی رپورٹ پر مبنی ہیں)— جو بالترتیب ڈیہ میٹھا گھر، سندھ (150 میگاواٹ) اور ڈیہ حلکانی، ضلع ویسٹ، کراچی (120 میگاواٹ) میں قائم کیے جانے ہیں— کے لیے نیپرا کی منظوری ابھی زیرِ التوا ہے (تجویز کردہ بولی کا ٹیرف بالترتیب **9.8319** پاکستانی روپے فی کلوواٹ گھنٹہ (**3.4061** سینٹس فی کلوواٹ گھنٹہ، امریکی ڈالر/ پاکستانی روپے کی شرح تبادلہ **288.65** پر) ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کمپنی نے مندرجہ ذیل کے مطابق کوڈ آف کارپوریٹ گورننس کے تقاضوں کی تعمیل کی ہے۔

مندرجہ ذیل کے مطابق بورڈ ارکان کی تعداد 9 ہے:

a) مرد (8)

b) خاتون (1)

2۔ بورڈ آف ڈائریکٹرز کی تشکیل درج ذیل ہے:

کیٹگری	نام
آزاد ڈائریکٹرز	• جناب حافظ محمد یوسف • جناب خواجہ خلیل شاہ • محترمہ مہوش ہمایوں خان
ایگزیکٹیو ڈائریکٹر	• جناب شہاب قادر خان (چیف ایگزیکٹیو)
نان ایگزیکٹیو ڈائریکٹرز	• لیفٹیننٹ جنرل (ر) محمد سعید • جناب سعد اقبال • جناب محمد عرفان • جناب عقیل احمد ناصر • جناب نوید اصغر چوہدری

بورڈ آف ڈائریکٹرز کی کمیٹیاں:

آڈٹ کمیٹی	• جناب حافظ محمد یوسف (چیئرمین) • جناب نوید اصغر چوہدری • جناب محمد عرفان • جناب سعد اقبال • جناب خواجہ خلیل شاہ
ایچ آر کمیٹی	• محترمہ مہوش ہمایوں خان (چیئرپرسن) • جناب حافظ محمد یوسف • جناب محمد عرفان • جناب عقیل احمد ناصر • جناب نوید اصغر چوہدری
سرمایہ کاری کمیٹی	• جناب نوید اصغر چوہدری (چیئرمین) • جناب حافظ محمد یوسف • جناب خواجہ خلیل شاہ • جناب عقیل احمد ناصر • جناب سعد اقبال
خصوصی کمیٹی (on Decommissioning of Power Plant and Fuel Disposal)	• جناب محمد عرفان (چیئرمین) • جناب نوید اصغر چوہدری • جناب عقیل احمد ناصر • جناب سعد اقبال

منجانب بورڈ

شہاب قادر خان
چیف ایگزیکٹو آفیسر
اسلام آباد: 23 اکتوبر 2025ء

حافظ محمد یوسف
ڈائریکٹر

Condensed Interim Statement of Financial Position

as at September 30, 2025 (Un-audited)

	Note	Un-audited September 30, 2025	Audited June 30, 2025
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 3,600,000,000 (June 30, 2025: 3,600,000,000) ordinary shares of Rs 10 each		36,000,000	36,000,000
Issued, subscribed and paid up capital 880,253,228 (June 30, 2025: 880,253,228) ordinary shares of Rs 10 each		8,802,532	8,802,532
Capital reserve		444,451	444,451
Revenue reserve: un-appropriated profit		47,855,978	47,851,102
		57,102,961	57,098,085
NON-CURRENT LIABILITIES			
Staff retirement benefits		286,587	289,656
		286,587	289,656
CURRENT LIABILITIES			
Trade and other payables	4	4,648,140	5,896,023
Provision for taxation - net		226,756	728,456
Unclaimed dividend		1,230,550	1,241,158
		6,105,446	7,865,637
CONTINGENCIES AND COMMITMENTS	6		
		63,494,994	65,253,378

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

Shahab Qader Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

	Note	Un-audited September 30, 2025	Audited June 30, 2025
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,819,534	1,818,304
Deferred taxation		1,328,767	1,461,641
Long term deposits		4,035	5,904
Staff retirement benefits - pension		408,428	401,902
		3,560,764	3,687,751
CURRENT ASSETS			
Stores and spares		3,943,144	3,942,262
Stock-in-trade	8	4,141,087	7,709,492
Trade debts - secured	9	8,600,116	1,881,584
Contract Asset		-	1,563,320
Investments at fair value	10	38,634,857	41,071,844
Loans, advances, deposits, prepayments and other receivables		3,442,974	3,865,517
Cash and bank balances		1,080,406	1,367,410
		59,842,584	61,401,429
Assets classified as held for sale	11	91,646	164,198
		63,494,994	65,253,378

Hafiz Mohammad Yousaf
Director

Condensed Interim Statement of Profit or Loss
for the quarter ended September 30, 2025 (Un-audited)

	Note	Quarter ended September 30, 2025	Quarter ended September 30, 2024
		(Rupees in thousand)	
Revenue from contract with customers	12	4,155,946	-
Cost of sales	13	(4,987,346)	-
Gross loss		(831,400)	-
Plant maintenance and preservation costs	14	-	(977,828)
Administrative expenses		(221,466)	(141,306)
Other operating expenses		(21,843)	(233,121)
Other income	15	1,290,840	2,621,860
Operating profit		216,131	1,269,605
Finance cost		(5,020)	(205,496)
Profit before levy and income tax		211,111	1,064,109
Levy - final tax		-	(4)
Profit before income tax		211,111	1,064,105
Income Tax		(206,235)	98,102
Profit for the period		4,876	1,162,207
Earnings per share - basic and diluted	Rupees	0.01	1.32

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

Shahab Qader Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

Hafiz Mohammad Yousaf
Director

Condensed Interim Statement of Comprehensive Income

for the quarter ended September 30, 2025 (Un-audited)

	Quarter ended September 30, 2025	Quarter ended September 30, 2024
	(Rupees in thousand)	
Profit for the period	4,876	1,162,207
- Items that will not be reclassified subsequently to profit or loss	-	-
- Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the period - net of tax	-	-
Total comprehensive income for the period	4,876	1,162,207

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

Shahab Qader Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

Hafiz Mohammad Yousaf
Director

Condensed Interim Statement of Changes in Equity

for the quarter ended September 30, 2025 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve	Revenue Reserve: Un-appropriated profit	Total
		(Rupees in thousand)		
Balance as at June 30, 2024 Audited	8,802,532	444,451	52,714,448	61,961,431
Profit for the period	-	-	1,162,207	1,162,207
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,162,207	1,162,207
Balance as at September 30, 2024 Un-audited	8,802,532	444,451	53,876,655	63,123,638
Balance as at June 30, 2025 Audited	8,802,532	444,451	47,851,102	57,098,085
Profit for the period	-	-	4,876	4,876
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	4,876	4,876
Balance as at September 30, 2025 Un-audited	8,802,532	444,451	47,855,978	57,102,961

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

Shahab Qader Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

Hafiz Mohammad Yousaf
Director

Condensed Interim Statement of Cash Flows

for the quarter ended September 30, 2025 (Un-audited)

	Note	Quarter ended September 30, 2025	Quarter ended September 30, 2024
		(Rupees in thousand)	
Cash flows from operating activities			
Cash (used in) / generated from operations	17	(2,095,588)	8,212,296
Finance cost paid		(1,365,533)	(544,374)
Income tax paid		(575,062)	(1,030)
Workers' Profit Participation Fund recovered		-	28,041
Staff retirement benefits - net		(11,001)	(7,667)
Net cash (used in) / generated from operating activities		(4,047,184)	7,687,265
Cash flows from investing activities			
Fixed capital expenditure		(1,302)	-
Income on bank deposits received		1,306	1,492
Net decrease in long term loans and deposits		1,869	973
Investment made in mutual funds - net of inter fund transfer		-	(200,000)
Redemption of mutual funds - net of inter fund transfer		3,415,418	500,618
Proceeds from sale of property, plant and equipment		-	2,431
Proceeds from sale of assets classified as held for sale		353,497	-
Net cash generated from investing activities		3,770,788	305,514
Cash flows from financing activities			
Dividend paid		(10,608)	(5,429)
Net cash used in financing activities		(10,608)	(5,429)
Net (decrease) / increase in cash and cash equivalents		(287,004)	7,987,350
Cash and cash equivalents at the beginning of the period		1,367,410	(7,159,901)
Cash and cash equivalents at the end of the period	18	1,080,406	827,449

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

Shahab Qader Khan
Chief Executive Officer

Muhammad Masood
Chief Financial Officer

Hafiz Mohammad Yousaf
Director

1. Legal status and nature of business

Kot Addu Power Company Limited (the Company or KAPCO), was incorporated in Pakistan on April 25, 1996 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company was listed on April 18, 2005 on the Stock Exchanges of Pakistan (now Pakistan Stock Exchange Limited). The principal activities of the Company are to own, operate and maintain a multi–fuel fired power station with fifteen generating units with a nameplate capacity of 1,600 MW in Kot Addu, District Muzaffargarh, Punjab, Pakistan and to sell the electricity produced therefrom to a single customer, Pakistan Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA) which was initially for a period of 25 years. WAPDA irrevocably transferred all of its rights, obligations and liabilities under the PPA to the Central Power Purchasing Agency (Guarantee) Limited (CPPA–G) (Power Purchaser) thereunder via Novation Agreement which became effective on May 21, 2021 after approval from the relevant authorities. The PPA was extended for 485 days from June 26, 2021 pursuant to the terms of Master Agreement and the Third Amendment to the PPA, which expired on October 24, 2022.

On June 3, 2025 the Company signed a Tripartite Power Purchase Agreement (TPPA) for 495 MW capacity with CPPA–G and National Grid Company of Pakistan Limited (NGC). The term of the TPPA is three years with effect from September 13, 2025 following the successful completion of the Initial Tested Capacity and Initial Heat Rate Test on September 12, 2025 by an Independent Engineer. On September 23, 2025, the National Electric Power Regulatory Authority (NEPRA) issued the final tariff determination for the Company's operations under the TPPA, under the NEPRA Tariff (Standards and Procedure) Rules, 1998, superseding the interim tariff granted vide order dated April 9, 2025.

The Company has a plant site at Kot Addu (Muzaffargarh), a corporate office located in Lahore and registered office located in Islamabad.

A Special Purpose Vehicle was incorporated in 2014 under the name of KAPCO Energy (Private) Limited (KEPL) for establishment of a coal power project. However, the project was called off and KEPL was put into liquidation under the Easy Exit Scheme of SECP. Subsequently, the liquidation application of KEPL was withdrawn for exploring investments opportunities. However, the share capital of KEPL has not yet been subscribed by the Company, therefore, the Company has not prepared consolidated financial statements.

2. Basis of preparation

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

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are un-audited and being submitted to the members of the Company as required by Section 237 of the Companies Act, 2017.

These condensed interim financial statements do not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2025.

These condensed interim financial statements have been prepared under the historic cost convention except certain employee benefits which are recognized on present value and investments which are measured at fair value. The financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

2.3 Signing of Tri-Partite Power Purchase Agreement (TPPA)

Under the TPPA, the Company's 495 MW generation facility and switchyard have been retained in the national power system for the term of the TPPA on a hybrid Take-or-Pay basis, providing a minimum guaranteed return at 25% availability and additional returns linked to incremental generation. The term of the TPPA is subject to the Company's annual inclusion in the Integrated Generation Capacity Expansion Plan (IGCEP) and Power Acquisition Plan (PAP), as approved by the competent authorities from time to time.

NEPRA, under the approved final generation tariff, has, inter alia, decided to allow tariff for 495 MW till September 2025, subject to extension on the basis of approved IGCEP / PAP. Since IGCEP is in the approval process, the TPPA has been suspended with effect from October 1, 2025. Aggrieved, the Company has filed a Review Motion before NEPRA to, inter alia, amend its order, arguing that the suspension of the TPPA appears to be premised on misconceived impression that IGCEP 2022-2031 was reflective of the ground realities at the time of the determination. Further, the Company has raised other grounds in support of its contentions before NEPRA. The Review Motion is pending before NEPRA.

During the reporting period, the Company generated 151,163 MWh of electricity on the request from the National Power Control Centre (NPCC).

In addition, the Company continues to:

1. Pursue diversification through renewable energy projects and strategic brownfield opportunities, some of which are at advanced stages and include, but are not limited to the following:

a) Sindh Solar Energy Park (SSEP) projects, with 150 MW at Deh Metha Ghar and 120 MW at Deh Halkani, where the Company was declared the lowest bidder by K-Electric, pending NEPRA approval. The NEPRA hearing was held in April 2025, and decision is still awaited; and

b) In partnership with Fauji Foundation, the Company has submitted a bid to acquire 84.06% of Pharaon Investment Group's shares in Attock Cement Pakistan Limited (ACPL), and the result of the bidding is awaited.

2. Invest surplus funds in mutual funds of Rs. 38,635 million (June 30, 2025: Rs. 41,072 million) to generate sufficient income to meet expenses during periods of restricted dispatch; and

3. Ensure readiness for participation in the Competitive Trading Bilateral Contracts Market (CTBCM) under B2B or merchant plant, once it is implemented by GoP.

Management expects the Company to continue its operations and meet its obligations for the foreseeable future. This view is supported by the signing of the TPPA, provisional tariff issuance, renewal of the generation concurrence and cash flow forecasts demonstrating sufficient liquidity under conservative scenarios.

3. Material accounting policies, estimates, judgements and financial risk management

The preparation of these condensed interim financial statements is in conformity with the approved accounting and reporting standards as applicable in Pakistan. Interim reporting requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

Accounting policies, judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to the audited financial statements as at and for the year ended June 30, 2025.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended June 30, 2025.

4. Trade and other payables

Trade and other payables include an amount of Rs. 3,593 million (June 30, 2025: Rs. 4,954 million) payable to the fuel suppliers on account of late payment surcharge on credit supplies of fuel. Further, included in it is an amount of Rs. 59 million (June 30, 2025: Rs. 63 million) payable to CPPA-G, which is a related party, against purchase of electricity.

5. Finances under mark-up arrangements - secured

5.1 Letter of credit and bank guarantees

Of the aggregate facility of Rs. 200 million (June 30, 2025: Rs. 200 million) for opening letters of credit and Rs. 2,610 million (June 30, 2025: Rs. 2,610 million) for guarantees, the amounts utilised as at Sep 30, 2025 were Nil (June 30, 2025: Nil) and Rs. 2,586 million (June 30, 2025: Rs. 2,586 million) respectively.

5.2 The aggregate running finances, short term finances, letters of credit and guarantees are secured by joint pari passu charge over current assets up to a limit of Rs. 67,200 million (June 30, 2025: Rs. 67,200 million). The Company has initiated the process for revision of lien/charge in accordance with the required credit lines.

6. Contingencies and commitments

6.1 Contingencies

There has been no significant change in the status of the contingent liabilities disclosed as at June 30, 2025 except the following:

(i) The Deputy Commissioner Inland Revenue (DCIR) finalized the proceedings under section 11E of the Sales Tax Act, 1990, vide order dated June 27, 2025, received on August 5, 2025, and created a demand of Rs. 130.54 million along with a penalty of Rs. 6.53 million and default surcharge for the tax periods July 2019 to June 2020, on account of alleged non-charging of sales tax. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)] on September 3, 2025, which is pending adjudication.

(ii) The Additional Collector finalized the proceedings for the tax periods from September 2000 to June 2003 vide order dated June 29, 2006, confirming a demand of Rs. 6.10 million along with default surcharge and penalty on account of short payment of sales tax. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which remanded the case to the Deputy Commissioner Inland Revenue (DCIR) for fresh adjudication. Pursuant to the remand, the DCIR, vide order dated June 27, 2025, received on August 5, 2025, erroneously raised a demand of Rs. 190.73 million instead of Rs. 6.64 million along with penalty. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)] on September 2, 2025, which is pending adjudication.

(iii) The Deputy Commissioner Inland Revenue (DCIR) finalized the assessment proceedings for the tax periods from July 2010 to June 2011 vide order dated June 27, 2025, received on August 5, 2025, and created a revised demand of Rs. 1.32 million along with default surcharge on account of disallowance of input tax. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)] on September 2, 2025, which is pending adjudication.

(iv) The Deputy Commissioner Inland Revenue (DCIR) passed an ex-parte order dated April 7, 2025, for July 2022 to June 2023, creating a sales tax demand of Rs. 4.60 million on account of inadmissible input tax under section 8 of the Sales Tax Act, 1990. Being aggrieved, the company filed an appeal before Commissioner Inland Revenue Appeals [CIR(A)], who vide order dated June 27, 2025, upheld the demand. An appeal filed before the Appellate Tribunal Inland Revenue (ATIR) on July 29, 2025, is pending adjudication.

(v) The Additional Commissioner Inland Revenue (ACIR) amended the assessment for tax year 2022 vide order dated March 20, 2024 and created a demand of Rs. 3,237 million on account of chargeability of tax on true-up income, interest on late payment from CPPA-G and inadmissibility of few expenses. Being aggrieved, the Company has filed appeal before the Commissioner Inland Revenue Appeals [CIR(A)]. However, due to tax amendments, the appeal was transferred to the Appellate Tribunal Inland Revenue (ATIR), as the matter now falls within the ATIR's scope. The Honorable ATIR decided the case in favor of the Company vide order dated September 25, 2025 received on October 03, 2025.

(vi) Subsequent to the year ended June 30, 2025, the Company received an invoice from SNGPL amounting to PKR 4,084 million in respect of RLNG notified sales price actualization for the period April 2015 to June 2022. The Company disputed the invoice and returned it to SNGPL on the grounds that the PPA, under which the RLNG charges for the said period were governed, has expired and accordingly, the Company is not liable to pay such amount. On October 09, 2025, the Company obtained a stay order from the Honorable High Court against the aforementioned claim. In compliance with the Court's directives, the Company has issued a post dated cheque equivalent to the principal amount along with applicable interest as a guarantee, which shall only be encashed subject to the final outcome of the case.

Management is of the view that, in case of an adverse decision, the Company would be entitled to recover the same from CPPA-G as part of fuel cost reimbursement, and the Company shall only bear the differential between the invoice amount and the reimbursement recoverable from CPPA-G. Based on the legal opinion obtained and prevailing circumstances, the Company expects a favorable outcome in the matter, and therefore no provision has been recognized in these financial statements.

6.2 Commitments

(i) Contracts for capital expenditure are Rs. Nil (June 30, 2025: 2 million).

(ii) Contracts for car ijara are Rs. 23 million (June 30, 2025: Rs. 27 million).

(iii) Based on Power Purchaser's forecast of electricity generation during expired PPA term, the Company placed orders to Pakistan State Oil for purchase of fuel stock in June 2022 for the delivery in July 2022. Out of these orders, around 40,000 MT of furnace oil is available with PSO. Depending upon the requirement, the fuel will be purchased from PSO and its cost will be passed on to the Power Purchaser in line with the applicable agreement.

	Note	Un-audited September 30, 2025	Audited June 30, 2025
		(Rupees in thousand)	
7. Property, plant and equipment			
Opening Net Book Value (NBV)		1,818,304	1,929,046
Add: Additions the period / year	7.1	1,302	56,752
		1,819,606	1,985,798
Less: Transfer to asset held for sale		-	164,198
Depreciation charged during the period / year		72	3,296
		72	167,494
		1,819,534	1,818,304
7.1 Following is the detail of additions during the period / year			
Free Hold Land		-	53,456
Office equipment		1,302	3,296
		1,302	56,752
		1,302	56,752
8. Stock-in-trade			
Furnace oil		4,272,551	9,007,539
Provision for net realizable value (NRV) against furnace oil	8.1	(566,443)	(1,833,950)
		3,706,108	7,173,589
Diesel		417,962	496,540
Coal		17,017	39,363
		4,141,087	7,709,492

8.1 The carrying value of inventory is stated at the Net Realizable Value (NRV). The NRV is determined based on the applicable fuel costs reimbursable under the Tripartite Power Purchase Agreement (TPPA). As at the reporting date, no further provision is required.

	Note	Un-audited September 30, 2025	Audited June 30, 2025
		(Rupees in thousand)	
9. Trade debts - secured			
Trade debts - secured	9.1	9,217,793	2,499,261
Provision for doubtful debts		(617,677)	(617,677)
		8,600,116	1,881,584

9.1 Trade debts include an overdue amount of Rs. 2,499 million (June 30, 2025: Rs. 2,499 million) receivable from CPPA-G, which is a related party of the Company, under the PPA that expired on October 24, 2022. Amount disputed by the Power Purchaser is Rs. 2,499 million (June 30, 2025: Rs. 2,499 million), out of which Rs. 618 million (June 30, 2025: Rs. 618 million) is considered doubtful and the provision has been recorded accordingly. The Company has not recorded provision in respect of the remaining amount, as there are adequate grounds to defend the claim for such invoices.The maximum aggregate amount outstanding during the period was Rs. 9,218 million (June 30, 2025: Rs. 11,484 million).

The trade debts are Pakistani rupee denominated. Under the old PPA expired on October 24, 2022, trade debts are secured by a guarantee from the Government of Pakistan under the Facilitation Agreement. These are in the normal course of business and are interest free, however, a late payment surcharge of SBP discount rate plus 4 percent per annum is charged in case the amounts are not paid within due dates (25~30 days from invoice date) as prescribed in the old PPA i.e. default by CPPA-G in timely payment. However, in the new TPPA the late payment surcharge rate of 3 months Kibor plus 1% is charged in case the amounts are not paid within due date (30 days from invoice date).

	Un-audited September 30, 2025		Audited June 30, 2025	
	Cost	Carrying Value	Cost	Carrying Value
	(Rupees in thousand)			
10. Investments at fair value				
Fair value through profit or loss				
Mutual Funds				
Fixed Rate / Return Funds	37,419,358	38,632,345	39,656,625	39,970,805
Money Market Funds	315	2,512	1,100,315	1,101,039
	37,419,673	38,634,857	40,756,940	41,071,844

	Un-audited September 30, 2025	Audited June 30, 2025
	(Rupees in thousand)	
11. Assets classified as held for sale		
Opening balance	164,198	-
Transfer from property, plant and equipment	-	164,198
Disposal	(72,552)	-
Closing Balance	91,646	164,198

		Quarter ended	
		September 30, 2025	September 30, 2024
		(Rupees in thousand)	
12. Revenue from contract with customer			
Energy purchase price		4,708,679	-
Sales tax		(720,522)	-
Net energy purchase price		3,988,157	-
Capacity purchase Price		167,789	-
		4,155,946	-

12.1 The Company's net revenue disaggregated by pattern of revenue recognition is as follows:

Revenue recognised at a point in time -		
Energy Purchase Price	3,988,157	-
Revenue recognised over time -		
Capacity Purchase Price	167,789	-
	4,155,946	-

12.2 Subsequent to the expiry of the original Power Purchase Agreement (PPA), the Company has maintained the availability of its switchyard facility at the request of the NTDC/System Operator and the Ministry of Energy (MoE). In line with this, the Company submitted a claim for the reimbursement of switchyard facility charges amounting to Rs. 1,611 million as part of a tariff addendum filed in February 2025. On September 23, 2025, NEPRA issued a tariff determination and did not allow this claim. The Company has challenged this decision by filing a review petition with NEPRA. No revenue has been recognized for this claim in the financial statements.

		Quarter ended	
		September 30, 2025	September 30, 2024
	Note	(Rupees in thousand)	
13. Cost of sales			
Fuel cost		4,327,067	-
Salaries, wages and benefits		326,594	-
Electricity import for self consumption		215,283	-
Plant maintenance		(6,577)	-
Plant insurance		124,907	-
Depreciation on property, plant and equipment		72	-
	13.1	4,987,346	-

13.1 As disclosed in note 2.3, the Tri-Partite Power Purchase Agreement (TPPA) was signed on June 3, 2025. After the signing, the Company generated electricity from June 2025 to September 2025 at the request of the National Power Control Center (NPCC). The Commercial Operations Date (COD) has been achieved as of the reporting date, and the related expenses for this generation activity have been recorded under Cost of Sales, in line with the Company's performance obligation to deliver electricity.

			Quarter ended	
			September 30, 2025	September 30, 2024
			(Rupees in thousand)	
14. Plant maintenance and preservation costs				
Salaries, wages and benefits			-	254,329
Electricity import for self consumption			-	155,170
Plant maintenance			-	10,569
Plant insurance			-	157,760
Provision for net realizable value (NRV) against furnace oil			-	400,000
			-	977,828
15. Other Income				
Income from mutual funds			978,431	2,568,471
Exchange gain			968	-
Interest on late payment - CPPA-G			-	12,954
Income on bank deposits			20,695	27,938
Gain on disposal of property, plant and equipment			-	2,431
Gain on disposal of assets classified as held for sale			280,945	-
Others			9,801	10,066
			1,290,840	2,621,860
16. Transactions with related parties				
Relationship with the Company	Percentage of shareholding	Nature of transaction		
i. Associated undertakings				
- CPPA-G	-	Sale of electricity	4,155,946	-
- CPPA-G	-	Purchase of electricity	222,261	163,132
- CPPA-G	-	Interest income on late payment	-	12,954
- WAPDA	40.25%	Purchase of service	-	2,022
- Central Depositary Company	-	Purchase of services	1,150	1,150
ii. Post retirement benefit plans				
- KAPCO employees provident fund trust	-	Contributions paid	15,293	6,681
iii. Key management personnel (including directors)	-	Compensation	110,080	89,195

Sale and purchase transactions with related parties are carried out on mutually agreed terms.

As per Company policy, Company transport, education of children, club charges, medical facility, house loan subsidy, security and utilities are provided to the employees. Further, a company maintained vehicle is provided to the Chairman of the Board of Directors, and the directors are entitled for corporate club memberships.

	Un-audited September 30, 2025	Audited June 30, 2025
	(Rupees in thousand)	
Period end balances		
Associated Undertakings		
Receivable from related parties	8,600,116	1,881,584
Payable to related parties	58,986	63,138

They are in the normal course of business and interest free.

	Quarter ended September 30, 2025	Quarter ended September 30, 2024
	(Rupees in thousand)	
17. Cash (used in) / generated from operations		
Profit before tax	211,111	1,064,105
Adjustments for:		
- Depreciation on property, plant and equipment	72	-
- Gain on disposal of property, plant and equipment	-	(2,431)
- Gain on disposal of assets classified as held for sale	(280,945)	-
- Gain on sale of stores and spares	(4,874)	-
- Income from mutual funds	(978,431)	(2,568,471)
- Exchange gain	(968)	-
- Income on bank deposits	(20,695)	(27,938)
- Staff retirement benefits accrued	1,406	7,772
- Finance cost	5,020	205,496
- Provision for net realizable value (NRV) against furnace oil	-	400,000
- Provision for Workers' Profit Participation Fund	11,350	59,287
- Provision for Workers' Welfare Fund	4,540	145,360
- Final tax - levy	-	4
(Loss) / Profit before working capital changes	(1,052,414)	(716,816)
Effect on cash flow due to working capital changes:		
- (Increase) / decrease in stores and spares - net	(5,372)	2,387
- (Increase) / decrease in trade debts	(5,155,212)	8,956,786
- Decrease in stock-in-trade	3,568,405	-
- Decrease in loans, advances, deposits, prepayments and other receivables	441,932	28,243
- Increase / (decrease) in trade and other payables	97,709	(58,304)
	(1,052,538)	8,929,112
Proceed from sale of stores and spares	9,364	-
	(2,095,588)	8,212,296

18. Cash and cash equivalents

	September 30, 2025	September 30, 2024
	(Rupees in thousand)	
Cash and bank balances	1,080,406	1,327,449
Finances under mark-up arrangements - secured	-	(500,000)
	1,080,406	827,449

19. Fair values of financial assets and liabilities

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

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following is categorization of assets which are disclosed at fair value as at September 30, 2025:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Assets:				
Investments at fair value	38,634,857	-	-	38,634,857

The following is categorization of assets which are disclosed at fair value as at June 30, 2025:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Assets:				
Investments at fair value	41,071,844	-	-	41,071,844

20. Corresponding figures

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

During the period no corresponding figures have been re-arranged.

21. Date of authorisation for issue

These condensed interim financial statements were authorised for issue on October 23, 2025 by the Board of Directors of the Company.

Shahab Qader Khan	Muhammad Masood	Hafiz Mohammad Yousaf
Chief Executive Officer	Chief Financial Officer	Director